Legislative Assembly

Tuesday, the 19th November, 1974

The SPEAKER (Mr Hutchinson) took the Chair at 4.30 p.m., and read prayers.

BILLS (9): ASSENT

Messages from the Lieutenant-Governor and Administrator received and read notifying assent to the following Bills—

1. Art Gallery Act Amendment Bill.
2. Indecent Publications Act Amendment Bill.
3. Soil Conservation Act Amendment Bill.
4. Police Act Amendment Bill.
5. Perth Mint Act Amendment Bill.
6. Public Authorities (Contributions) Bill.
7. Liquor Act Amendment Bill.
8. Rural and Industries Bank Act Amendment Bill (No. 2).
9. Stamp Act Amendment Bill (No. 2).

BILLS (2): INTRODUCTION AND FIRST READING

1. Death Duty Assessment Act Amendment Bill.

   Bill introduced, on motion by Sir Charles Court (Treasurer), and read a first time.

2. Reserves Bill.

   Bill introduced, on motion by Mr Ridge (Minister for Lands), and read a first time.

QUESTIONS (16): ON NOTICE

1. HOUSING

Pilbara: Increased Rentals

Mr SODEMAN, to the Premier:

(1) Is it the Government's intention, in the near future, to increase weekly rentals on Government Employees' Housing Authority homes in the Pilbara?

(2) If so—

(a) what will be the new rates;

(b) will school teachers living in company mining towns incur the increases and, if so, to what extent?

(3) What are the existing weekly rentals currently being paid by tenants of GEHA homes in the Pilbara?

Sir CHARLES COURT replied:

(1) The triennial re-assessment of rentals of all GEHA houses, as required by section 19 (h) of the Government Employees' Housing Act, 1964, is currently being examined. To date, no decisions have been made to adjust rentals.

(2) Answered by (1).

(3) Existing weekly rentals paid by GEHA tenants in the Pilbara are—

Town	Weekly rental House	Weekly rental Furniture
	$	$
Dampier	7.20*	—
Goldsworthy	8.40*	—
Jigalong	6.00	4.00
Karratha	12.00	4.00
Marble Bar	7.15	4.00
	7.80	4.00
	9.30	4.00
Newman	7.20*	—
Nullagine	6.00	4.00
Pannawonica	7.20	4.00
Parraburdoo	7.20*	—
Port Hedland ..	10.20	4.00
	10.70	4.00
	10.80	4.00
	11.40	4.00
	11.70	4.00
	12.00	4.00
Roebourne	9.90	4.00
	10.20	4.00
	11.10	4.00
	12.00	4.00
Shay Gap	5.77*	—
Tom Price	7.20*	—
Wickham	7.20	4.00
	12.00	4.00
Wittenoom	9.30	4.00

* includes furniture

Note: Rentals paid by single officers are—
House—$4.80
Furniture—$1.35

2. TRAFFIC SAFETY

Research: Report

Mr T. H. JONES, to the Minister for Traffic Safety:

Will he for the information of Members of both Houses make available to them copies of the reports on the very considerable research carried out by officers of the Department of Motor Vehicles into various aspects of traffic safety?

Mr O'CONNOR replied:

Yes. I will be pleased to instruct the Director, Department of Motor Vehicles that copies of all research projects will from time to time be forwarded to all Members of Parliament.

3. TRANSPORT

Two Rocks: Bus Services

Mr T. H. JONES, to the Minister for Transport:

(1) Is the MTT service covering the Two Rocks area?

(2) If not, in view of the hardship being experienced by residents in the area concerning transport problems, will he give favourable consideration to extending the MTT service to the area?

(3) If (2) is "No" will he please outline the reasons?

Mr O'CONNOR replied:

(1) and (2) No.

(3) Two Rocks is a private development some 36 kilometres from the closest MTT regular daily service with little or no settlement in between. Under these conditions MTT could only supply a service at huge cost to the taxpayer.

4. TEACHERS

Trainee Allowances

Mr J. T. TONKIN, to the Treasurer:

(1) On what date were allowances to school teacher students in training last increased?

(2) For what period has a review of these allowances been receiving consideration?

(3) When is a decision on the matter likely to be made?

Sir CHARLES COURT replied:

(1) 1st January, 1973.

(2) Comparison between allowances paid in Western Australia and other States has been made at frequent intervals since early 1971. However, as no major changes have taken place in the key States, no variations which would affect Western Australian levels, other than National wage adjustments, have been made.

(3) Current trends throughout Australia are towards wider acceptance of unbonded tertiary allowances and, as a result, there are no immediate changes contemplated in the Western Australian scale.

5. FLUORIDATION OF WATER SUPPLIES

Link with Heart Failure

Mr J. T. TONKIN, to the Minister representing the Minister for Health:

(1) Has he been able to obtain a copy of the scientists' paper concerning fluoridation of water supplies, referred to in my question asked on Wednesday, 21st August, 1974, which he undertook to endeavour to obtain?

(2) If "Yes" will he make it available for perusal by Members?

Mr RIDGE replied:

(1) No. The scientists' paper is not available in this country; a telegram has been sent to the Agent-General, requesting a copy of the paper.

(2) Answered by (1).

6. LAND EROSION

Kimberley

Mr H. D. EVANS, to the Minister for Lands:

(1) Has he received a report from the Pastoral Appraisement Board dealing with erosion in the Kimberley region, and if so, what are the details it contained?

(2) If so, what action does the Government propose to take in regard to the situation to which the report refers?

(3) If not, does he propose to initiate any action towards the erosion question of the Kimberley region?

Mr RIDGE replied:

(1) Yes. The report contains an evaluation of rangeland condition in the West Kimberley region embracing most of the catchments of the Fitzroy, Lennard, Meda and May Rivers.

(2) This will shortly be decided by the Government.

(3) Answered by (2).

7. RAILWAYS

Bridgetown Depot: Closure

Mr H. D. EVANS, to the Minister for Transport:

(1) Further to his reply to question 33 of 29th August last in which he stated a committee formed to consider the closure of the Bridgetown railway depot would probably not meet before November, can he indicate if the committee has met?

(2) If so, has the committee brought forth any recommendations and, what are they, and if not, what are the details of proposed meetings in the future?

Mr O'CONNOR replied:

(1) No, the committee has not met due to the prior commitments of its members. It has however proposed to the Shire of Bridgetown-Greenbushes that it should initially meet with them and local residents in Bridgetown on the 3rd and 4th December.

(2) Since it has not met, the committee has not worked out a programme. It intends to meet prior

to going to Bridgetown in December to develop a *modus operandi* for itself and will of course meet on a number of other occasions as well. The Director-General of Transport who chairs the committee advises me that it will need to conduct two and maybe three meetings in Bridgetown and the expectation is that one or two of its research staff will spend quite a considerable amount of time in Bridgetown.

I reiterate a point I made when answering question 33 on the 29th August; namely, that it will be well into 1975, probably April, before the committee's work can be presented to the Government.

8. GERALDTON AND JOHN WILLCOCK HIGH SCHOOLS

Enrolments

Mr CARR, to the Minister representing the Minister for Education:

(1) What is the present enrolment at Geraldton Senior High School?

(2) What is the anticipated enrolment at Geraldton Senior High School for the beginning of the 1975 school year?

(3) What is the anticipated enrolment at John Willcock high school at its opening at the beginning of the 1975 school year?

Mr MENSAROS replied:

(1) 1 293 pupils as at 1st August, 1974.

(2) 1 303 pupils.

(3) 153 pupils.

9. NORTH LAKE HIGH SCHOOL

Sports Ground: Reticulation

Mr TAYLOR, to the Minister for Works:

(1) Has a contract been let for the provision of a bore and reticulation to the North Lake Senior High School oval?

(2) If "Yes" to (1)—

(a) what is the name of the firm awarded the contract;

(b) what is the tendered price;

(c) when is the work to begin;

(d) when is the work to be completed?

(3) If "No" to (1)—

(a) when will a contract be let;

(b) will such contract allow for the completion of a bore and reticulation system prior to the opening date of the high school in 1975?

Mr O'NEIL replied:

(1) No.

(2) Answered by (1).

(3) (a) Tenders closed on 12th November, 1974, and it is anticipated that recommendations will be made this week.

(b) Yes—subject to material supplies not being interrupted.

10. SCHOOLS

Minimum Enrolments

Mr JAMIESON, to the Minister representing the Minister for Education:

(1) What is the minimum number of students required to keep open a primary school?

(2) Would the Minister supply a list of the 50 with the lowest number of students throughout the State, showing their respective numbers?

Mr MENSAROS replied:

(1) Regulation 164 of the Education Act Regulations, 1960, states—

If a school does not maintain an average attendance of eight pupils, the Minister may, if he thinks fit, cause it to be closed.

(2) Enrolments at 1st August, 1974. (Excluding Special Schools.)

1.	Allanson	8
2.	Beverley Springs	8
3.	Gascoyne Junction	8
4.	Ogilvie	8
5.	Albion Downs	9
6.	Cascade	9
7.	Zanthus	9
8.	Balkuling	10
9.	Oakford	10
10.	Coonana	11
11.	Widgiemooltha	12
12.	Karragullen	14
13.	Mogumber	14
14.	Ardath	15
15.	Carmel	15
16.	Cherrabun Sp. Aboriginal	15
17.	Donnelly River	15
18.	Gillingarra	15
19.	Lake Varley	15
20.	Yandanooka	15
21.	Yorkrakine	16
22.	West Dale	17
23.	Wialki	17
24.	Woodanilling	17
25.	Hopelands	18
26.	Muntadgin	18
27.	Wannamal	18
28.	Mollerin	19
29.	Clackline	20
30.	Cosmo Newbery Sp. Ab.	20
31.	Ejanding	20
32.	Marvel Loch	20

33.	Menzies	20
34.	Mt Margaret Sp. Abor. ..	20
35.	Reid	20
36.	Wellstead	20
37.	Kununoppin	21
38.	North Baandee	21
39.	Wandering	21
40.	Yornup	21
41.	Babakin	22
42.	Leeman	22
43.	Quininup	22
44.	Benger	23
45.	Needilup	23
46.	Cockatoo Island	24
47.	Coomberdale	25
48.	Nullagine	25
49.	Rottnest	25
50.	Bullfinch	26
	Wandering Sp. Aboriginal	26

11. HEALTH

Dental Units

Mr DAVIES, to the Minister representing the Minister for Health:

(1) Where are dental units, staffed by dental therapists, established at present?

(2) How many additional dental units will be established at schools during 1974-75?

(3) Where will these be established?

(4) From where will dental therapists be drawn to staff these centres?

(5) Has the Australian Government imposed any limitations on the number of such units which can be established over a period?

(6) If so, what are the limitations?

(7) If not, what are the limiting factors as far as the department is concerned?

Mr RIDGE replied:

(1) Marmion
Nollamara
Balga
Newborough
Yokine
Kewdale
Palmyra
Brentwood
Newman

(2) Eight fixed clinics and three mobile clinics.

(3) Camboon
Anzac Terrace—Bassendean
Willetton
North Morley
Hampton
Beaconsfield
Koorilla
Forrestfield

(4) Positions have been sought by applicants from—
Western Australia
New Zealand
South Australia
Tasmania

(5) No. The number to be established is dependent on the availability of trainees from the Public Health Department School of Dental Therapy.

(6) and (7) Answered by (5).

12. ALCOHOL AND DRUG AUTHORITY

Appointments and Salaries

Mr DAVIES, to the Minister representing the Minister for Health:

(1) What are the positions so far created by the Alcohol and Drug Authority?

(2) What are the salary ranges for each position?

(3) Which of these positions are newly created and which have been absorbed from other departments?

(4) What additional appointments are contemplated, at what salary ranges and from where will the appointees be drawn?

Mr RIDGE replied:

(1) and (2) None. However the Minister for Health has approved of the following positions for the Alcohol and Drug Authority on the recommendation of an interim advisory committee.

Medical Director—Level 4—Salary $21 435.

Medical Officer—Level 1—Salary range $13 650-$16 582.

Executive Officer—C-II-9—Salary range $11 655-$11 961.

Welfare Officer (3 positions)—C-II-1/4—Salary range $6 983-$8 727.

Administrative Assistant—C-II-2/3—Salary range $7 524-$8 258.

Nurses (2 positions)—Salary Level $8 000.

Senior Typist—C-III-1—Salary range $6 050-$6 203.

Typist/Receptionist (3 positions)—C-V—Salary range according to age and experience.

Courier—Wage $108.30 p.w.

Domestic—Wage $83.30 p.w.

(3) All positions are newly created except those of the Executive Officer, one Welfare Officer and the Administrative Assistant which were absorbed from the Department of Corrections.

(4) No appointments other than for the positions above are contemplated at present.

13. HEALTH

Therapeutic Goods: Advertising and Labelling

Mr DAVIES, to the Minister representing the Minister for Health:

What progress has been made in regard to a Press report that State Health Ministers had agreed to pass legislation for uniform controls on the advertising and labelling of all therapeutic goods?

Mr RIDGE replied:

The proposals relating to advertising and labelling of therapeutic goods which Australian Health Ministers considered at their recent conference are under examination by the Food and Drugs Advisory Committee of the State Health Department.

14. AUSTRALIAN ASSISTANCE PLAN

Operation through Local Authorities

Mr DAVIES, to the Minister representing the Minister for Health:

(1) Has any approach been made to the Australian Government to allow the Australian Assistance Plan to be operated through local authorities?

(2) If so, when, and with what result?

Mr RIDGE replied:

(1) It is understood that the Country Shire Councils' Association has written on four occasions to the Minister for Social Security.

(2) 13th December, 1973;
15th March, 1974;
18th June, 1974;
4th October, 1974,
To date with negative results.

15. STATE GENERAL ELECTION

Failure to Vote

Mr B. T. BURKE, to the Minister representing the Minister for Justice:

(1) How many electors in—

(a) the State;

(b) each Legislative Assembly District;

(c) each Legislative Council Province,

failed to vote in the 1974 State General Election?

(2) What action was taken to determine whether those electors who failed to vote had adequate justification for their failure?

(3) How many had reasons for their failure accepted by the State Electoral Department?

(4) How many advanced reasons were not accepted by the department?

(5) How many failed to explain their failure to vote?

(6) How many people were struck off the roll in categories (a), (b) and (c) above as a result of the action taken by the department referred to in (2) above?

Mr O'NEIL replied:

I request permission to table the answer.

The answer was tabled (see paper No. 371).

16. HOSPITAL

Wanneroo Area

Mr DAVIES, to the Minister representing the Minister for Health:

(1) Has any approach been made in regard to provision of a hospital in the Wanneroo area?

(2) If so, by whom, when, and with what result?

Mr RIDGE replied:

(1) Yes.

(2) Local medical practitioners, community associations, the local Member, Mr M. Nanovich, MLA, and the WA Branch of the Australian Labor Party.

Those requesting provision of hospital facilities in the Wanneroo area have been advised that the matter is being kept under close observation and when it is considered necessary, steps will be taken to provide facilities to serve these populations.

The best method of providing additional beds in the north western corridor is by expanding the Osborne Park Hospital and a 108 bed ward unit is at present under construction.

QUESTIONS (12): WITHOUT NOTICE

1. MINING

Commonwealth Financial Assistance: Threat of Acceptance

Mr MAY, to the Premier:

I apologise to the Premier for not providing him with notice of this question; however, the matters in question eventuated after the House rose last Thursday. I feel sure the Premier will have no difficulty in answering the question. An article which appeared in *The Australian Financial Review* of the 18th November, 1974, states as follows—

Mining Companies hoping to launch big ventures in W.A. have been told that the State Government will refuse access to mining tenements for offshore leases if they accept financial help from Australian Government bodies.

Mining executives say that they have been written to, telephoned or, in some cases, summoned to Government offices to be given the warning.

Would the Premier advise the House whether the report is correct and, if not, what is the factual position?

Sir CHARLES COURT replied:

There appears to be some lack of liaison on the other side, as the member for Ascot has provided me with notice of a similar question without notice. Therefore, with respect, I suggest that when I answer his question in due course, I will also answer the question of the member for Clontarf.

If the honourable member finds the answer that I shall give to the member for Ascot is not adequate for the answer he seeks, will he ask another question?

2. MINING

Commonwealth Financial Assistance: Threat of Acceptance

Mr BRYCE, to the Premier:

(1) Will the Premier deny categorically that he has stated or implied by letter, or by telephone, or by interview to any mining company that the State Government will refuse access to mining tenements for off-shore leases if the mining companies accept financial help from Australian Government bodies?

(2) Does the Premier agree with the Editor of *The Australian Financial Review* that any threat of this kind constitutes "Mafia style" pressure on the mining companies?

(3) Does the Premier agree with *The Australian Financial Review* "that efforts to make mining companies the meat in an ideological struggle sandwich" is an abuse of State powers?

(4) Does the Premier regard *The Australian Financial Review* as a dangerous left-wing rag?

Sir CHARLES COURT replied:

The honourable member sent me notice of the question in the course of a party meeting. It should be appreciated that one does not get much time or peace to prepare a long answer in the circumstances. The answer is as follows—

(1) Firstly, the honourable member should understand that the Press report to which he presumably refers, is not a statement by me or the Government.

Secondly, I have stated on many occasions that the Government has told companies involved or interested in resource development the constitutional fact that the reserves belong to the State and are under the control of the Western Australian Parliament and Government.

I have also stated that our policy is based on private enterprise and does not favour risking taxpayers' money unnecessarily through Government participation in exploration, production, and/or trade.

(2) The editorial reference is both untrue and offensive. I have written to the editor protesting accordingly.

(3) There has been no abuse of State powers. If companies find themselves "the meat in the ideological struggle sandwich" it is their own fault. They know what the correct procedures are. Surely the honourable member has the interests of the State sufficiently at heart to want the Western Australian Government to fight for the legitimate rights of Western Australians under the Constitution; or are we to interpret the nature of his questions to mean that whatever the Commonwealth wants to do it is to be allowed to do?

(4) I regard the question as frivolous.

3. SCHOOL BUILDING PROGRAMME

Inquiry

Mr T. D. EVANS, to the Minister representing the Minister for Education:

I refer to a telegram sent by the W.A. Council of State School Organisations on Thursday of last week to political leaders in this State, and also to the news item in *The West Australian* of Friday, the 15th November last, wherein the Minister for Education is reported as having promised a top level inquiry into the school building programme.

(1) Was the Minister correctly quoted?

(2) If so—

(a) what form will the inquiry take?

(b) What personnel will be involved in conducting the inquiry?

(c) When will the inquiry commence?

(d) When is it expected that the inquiry will complete its task?

(e) Will the inquiry concern itself with the impact on available finance of the cost of implementing the Government's announced education policies; that is, the establishment of pre-primary centres, a year earlier transfer from the primary to the secondary school, and limiting student numbers at high schools and senior high schools?

(f) If "No" to (e), why not?

Mr MENSAROS replied:

The Minister for Education extends his thanks to the member for Kalgoorlie for notice of this question, the reply to which is as follows—

(1) Yes.

(2) (a) to (f) The inquiry referred to was for the essential purpose of determining why certain buildings included in the current programme will not be available for the coming school year. The investigations will be at ministerial level and will also involve senior departmental officers. The matter will be treated as of utmost urgency and no time will be lost in an endeavour to provide the most satisfactory solutions for the school opening in February. There is every possibility that the investigations will lead to adoption of procedures which will avoid the difficulties now being experienced.

4. NATURAL GAS CRISIS

Press Report

Mr MAY, to the Minister for Electricity:

In connection with the article "Gas Crisis Looms for W.A." which appeared in *The West Australian* dated the 15th November, 1974, will he advise—

(a) Is the information contained in the article correct?

(b) If so, was the information obtained from the Fuel and Power Commission and/or the State Electricity Commission?

(c) Prior to the issue of a prepared statement by the General Manager, State Electricity Commission, which refuted the article referred to above, were discussions held between himself and the general manager?

(d) If not, was the detailed statement issued without his knowledge?

(e) Has the General Manager, State Electricity Commission, been instructed to consult with the Minister in future prior to making public statements?

(f) Does the same instruction apply to the Fuel and Power Commissioner and other departments under his control?

Mr MENSAROS replied:

I thank the honourable member for some notice of this question. The reply is as follows—

(a) Yes, substantially correct.

(b) Neither. The article was based on a Press release issued by me. The Press statement was based on a number of papers submitted to me from time to time by both the Fuel and Power Commission and the State Electricity Commission.

(c) No.

(d) Yes.

(e) and (f) It is well understood in our system of responsible parliamentary government that public statements are made by the Minister except in some cases in matters of a highly technical nature as opposed to political considerations, and then usually with the Minister's special or general consent.

5. TEACHERS

Trainee Allowances

Mr CARR, to the Treasurer:

My question arises from the answer to question 4 on today's notice paper, in which the Treasurer used the term "key States". What does he mean by the term? Does he not consider all States as being of equal importance?

Sir CHARLES COURT replied:

So that there should be no uncertainty I suggest the honourable member place the question on the notice paper. If it is too

late for him to have it placed on the notice paper for tomorrow, I am prepared to give him an answer if he asks the question tomorrow without notice.

6. STATE ELECTRICITY COMMISSION

Management Structure

Mr MAY, to the Minister for Electricity:

(1) On what date did the firm of consultants commence investigations into the management structure of the State Electricity Commission?

(2) What date was the study completed?

(3) What was the cost of the study?

(4) Besides the chairman of the commission, which other members of the commission—

(a) were aware of the proposed study;

(b) have examined the recommendations of the consulting firm?

(5) Has the Minister perused the report?

(6) Because of the current public interest in the matter, will he table the report during the current session of Parliament?

Mr MENSAROS replied:

(1) The 22nd April, 1974.

(2) The report is only in the early draft stage at the present date.

(3) The project is not complete; hence the cost is not available.

(4) (a) Deputy chairman.

Deputy for the Under-Treasurer.

One engineering commissioner—prior to study.

Full commission at a subsequent date.

(b) None—see (2) above.

(5) No. See (2) above.

(6) I am not aware of any outside interest in the matter. The study was commissioned by, and is for the internal guidance of, the State Electricity Commission.

Only when I have had an opportunity to examine the document, after internal perusal by the commission, will I be able to decide whether tabling would be appropriate.

7. MEAT

Inspection: Charges

Mr McIVER, to the Premier:

I apologise for not having been able to give prior notice of this question. It refers to my letter of the 23rd October which I forwarded to him on behalf of the Northam Shire. As I have not had an acknowledgment of the letter will the Premier advise whether he has received it, as the shire in question is anxious to obtain a reply as soon as possible?

Sir Charles Court: What is the subject of that letter?

Mr McIVER: The subject is in relation to meat inspection charges.

Sir CHARLES COURT replied:

In answer to the honourable member, I recall the particular letter to which he refers. Another local authority has raised a similar matter—although not exactly the same—and I have asked the department to expedite the answer to both queries.

8. MINING

Commonwealth Financial Assistance: Threat of Acceptance

Mr BRYCE, to the Premier:

Would the Premier clarify his answer to the first part of my four-part question asked earlier? Does the Premier deny, or can he at least confirm, that at no time has he stated or implied by letter or by telephone to any mining company that the State Government will refuse access to mining tenements for off-shore leases if the companies seek financial assistance from the Australian Government?

I appreciate that the item appeared in this morning's paper, but the Premier denied having made the statement.

I ask the Premier to clarify the position since he did not say a word about the announcement in his answer.

The SPEAKER: I ask the member for Ascot to please ask his question.

Mr BRYCE: Would the Premier indicate to the House, quite categorically, whether in fact at any stage he has implied or stated, in writing, by interview, or over the telephone to mining companies that they would lose their mining tenements or rights to off-shore leases if they sought financial assistance from Australian Government bodies?

Sir CHARLES COURT replied:

If the member for Ascot wants simply to pluck words out of a newspaper, include a few additions of his own, and then try to frame a question along the lines of "When did you stop beating your wife?" he will not get an answer from this side.

We will answer straight questions with replies in a straightforward manner. I have given the member for Ascot a considered reply, and a clear answer setting out categorically the attitude of the State Government. I have no intention of replying further. I have answered the question properly and fairly.

Mr Bryce: How much doubt does the Premier think his answer will raise in people's minds?

Mr O'Neil: The only mind in doubt is yours.

9. NATURAL GAS CRISIS

Press Report

Mr MAY, to the Premier:

I refer to the Minister's news release dated the 18th November, 1974, regarding the State Electricity Commission's gas supply position, portion of which reads as follows—

> Domestic consumers already connected should relax. They will have gas until 1986 which was the original intention if no additional gas to known Dongara reserves was available. There is no need for panic. Panic can only come from irresponsible people.

In view of the article which appeared in *The West Australian* dated the 15th November, 1974, and headed, "Gas crisis looms for W.A." purported to have emanated from the Minister for Fuel and Energy (Mr Mensaros) would he request the Minister concerned to issue a public apology?

Sir CHARLES COURT replied:

I could dismiss the question asked by the member for Clontarf as one which is frivolous.

Mr May: The public does not think so.

Sir CHARLES COURT: I could dismiss the question as frivolous, with good reason. However, if the honourable member studies the statement made by the Minister for Fuel and Energy on the 15th November, and my statement made on the 18th November to which he referred, he will find no inconsistency at all.

An effort was made in the later statement to clarify the situation for those people currently connected to gas.

Mr May: After some panic was created.

Sir CHARLES COURT: No panic was created by us. All the Minister desired to do—and with my complete concurrence—was to clarify in the public mind the exact position in respect of gas.

Mr May: He did not do a very good job.

Sir CHARLES COURT: The Minister desired to make sure the public understood the real problem, and the cause of it, and it is right in Canberra.

10. EXPORT LICENSES

Constitutional Authority to Grant

Mr BRYCE, to the Premier:

Referring to the article which appeared in this morning's paper—and some notice has been given of this question—I preface my question by asking whether or not the Premier was correctly quoted?
I then ask—

(a) Does the Premier agree that the Australian Government has the constitutional authority to grant export licenses?

(b) Will the Premier substantiate to this Parliament instances of how the Australian Government has used its export license powers to bypass the Constitution?

The SPEAKER: I would like to say the member for Ascot cannot seek a legal opinion. However, I would like to hear what the Premier has to say if he desires to answer any part of the question.

Sir CHARLES COURT replied:

I understand the question asked by the honourable member, which is slightly different from the question handed to me whilst at a party meeting today.

The honourable member wants me to confirm or otherwise approve a report in this morning's paper. If he wants to refer to a particular part of the report I suggest he should put his question on the notice paper and I will be only too pleased to answer it. The question handed to me reads—

(a) Does the Premier agree that the Australian Government has the constitutional authority to grant export licenses?

The reply to that part of the question is—

(a) The Commonwealth Government's control over export licenses has never been disputed. What we criticise—and criticise strongly—is the abuse of the Commonwealth's export license powers to try to achieve a position contrary to the intention and spirit of the

Constitution, and to the detriment of the States, as part of the Commonwealth Government's centralist and socialist policies.

The second part of the question asked reads—

(b) Will the Premier substantiate to this Parliament instances of how the Australian Government has used its export license powers to bypass the Constitution?

The reply to that part of the question is—

(b) As an example, the honourable member should know, as well as I do, that environmental protection is not amongst the enumerated powers of the Commonwealth. Yet the Commonwealth Government has often tied the prospects of granting export licenses to environmental conditions laid down by the Commonwealth, and ignoring the experience and legitimate advice of the State environmental authorities.

This is but one example. The worst abuse of the power is through the Commonwealth's clear indications—

Mr Bryce: The Commonwealth again!

The SPEAKER: Order!

Sir CHARLES COURT: To repeat: This is but one example. The worst abuse of the power is through the Commonwealth's clear indications to companies that the Commonwealth intends to use its export powers as a means of achieving its purposes in ways not directly related to its intended constitutional rights.

Mr Bryce: There is no bypass of the Constitution.

Sir Charles Court: The honourable member has more intelligence than to believe that.

Mr O'Neil: He has not.

11. MUJA POWER STATION

Additional Capital Cost

Mr MAY, to the Minister for Electricity:

As the additional capital required year by year for the immediate upgrading of the Muja power house would be—

1974-75— $2.3 million
1975-76—$10.6 million
1976-77—$21.3 million
1977-78—$26.3 million

what would be the anticipated additional cost for the same period if the project were delayed for one year?

Mr MENSAROS replied:

The amounts stated in the question are the difference in rate of capital expenditure for the periods in question between the programme for immediate upgrading and the alternative programme of delaying the project for one year. The annual expenditure for generating plant and associated transmission works during the same financial years required for delaying the project for one year is—

1974-1975— $0.8 million
1975-1976— $1.9 million
1976-1977— $7.7 million
1977-1978—$21.8 million

12. PHOSPHATE CO-OPERATIVE (W.A.) LTD.

Share Applications

Mr BERTRAM, to the Minister representing the Minister for Justice:

Some notice has been given to the Minister representing the Minister for Justice of this question which refers to the Phosphate Co-Operative (W.A.) Ltd. Bill.

(1) Will he table the Companies Office file relative to this company?

If "No", why?

(2) Has there been a meeting of those persons who applied for shares of the value of $1 499 750 in this company to discuss the company's future? If "Yes", when, and with what result?

If "No", why?

(3) How many applicants applied for the shares to the value of $1 499 750?

(4) Have the said applicants all been given notice of the Government's intention to introduce this Bill?

(5) What rate of interest is it expected that the application money will earn whilst it is deposited with the Treasury?

(6) Will he list each and every one of the grounds upon which it is considered probable that a second prospectus issued by this company will not fail?

Mr O'NEIL replied:

The Minister for Justice has supplied the following information, and he thanks the honourable member for notice of the question.

(1) The Companies Office papers are required to be available for search by the public at the office of the Registrar of Companies.

However, the Minister is prepared to table them for a period of 24 hours only.

(2) No. The company advises that such a meeting was best deferred until the outcome of the proposals contained in the legislation current before Parliament is known.

A meeting was held between representatives of the co-operative and the Government on the 6th September, 1974.

This information was conveyed to the member for Clontarf on the 11th September, 1974, when he requested an assurance that every consideration be given by the Government in an endeavour to establish the superphosphate works at Merredin.

(3) Approximately 1 300 applicants have applied for shares to the nominal value of $1.1 million, not $1 499 750.

(4) No.

(5) The Under-Treasurer advises that application money deposited under the Bill could earn interest at a rate between 7 per cent and 9 per cent.

(6) The Bill is not presented on the basis that the second prospectus will not fail. Its success or failure depends upon whether applications are received for the minimum subscription.

In the event that the company fails to achieve a minimum subscription in response to a second prospectus, the Treasurer is directed by the Bill to repay all application moneys subscribed in response to the first prospectus.

The papers were tabled (see paper No. 372).

ASSISTANCE TO DECENTRALIZED INDUSTRY BILL

Introduction and First Reading

Bill introduced, on motion by Sir Charles Court (Treasurer), and read a first time.

Second Reading

SIR CHARLES COURT (Nedlands—Treasurer) [5.13 p.m.]: I move:—

That the Bill be now read a second time.

This measure is introduced in conformity with Government policy to moderate the effect of pay-roll tax on the viability of decentralized enterprise.

When introducing the Budget, I advised that this legislation would be introduced in the present session for the purpose of making grants to decentralized enterprises on the recommendation of the Minister for Industrial Development and the approval of the Treasurer.

The Bill now before members contains provisions to give effect to these announcements. It is to be administered by the Minister for Industrial Development, and assistance will take the form of grants from the Consolidated Revenue Fund for which provision will be made annually in the State Budget.

The assistance will be made available to all businesses which require this assistance to ensure the establishment, expansion, or continuation of those businesses. In other words, these grants will be made in cases where the payment makes the difference between the business concerned succeeding or failing.

Under the proposed law, businesses eligible for assistance will be those which are a prescribed distance beyond the metropolitan area, and the reason for this is to give a positive incentive to decentralization.

The proposals also contain powers to prescribe specified areas which are inside the prescribed distance from the metropolitan area. This will allow assistance to be given in appropriate special cases.

The prescriptions of distance and area are to be made in regulations to the Act, and will be determined in the light of decentralization needs from time to time.

The proposals in the Bill now before the House allow the Minister for Industrial Development, with the concurrence of the Treasurer, to approve assistance on a completely flexible basis so that it can be tailored to the economic needs of individual businesses. The maximum limit of assistance to any particular business in any one year is not to exceed the amount of pay-roll tax paid by that business on wages paid to employees who are normally employed in the decentralized location.

The Minister is to be empowered to receive and consider applications and to seek additional information which will permit him to arrive at a proper decision on the level of assistance. Having completed the examination of the details supplied by the applicant, the Minister may then determine the level and term of the assistance. This may be equal to the whole or part of the pay-roll tax paid in connection with the decentralized activity and may be for any period which he believes is necessary to establish the viability of the project. The Minister may attach terms and conditions to the payment of the assistance.

Because there are a number of businesses which are operating in both the metropolitan area and decentralized locations, and there are others in the metropolitan area which may wish to establish or expand in decentralized locations, the Bill contains a formula for determining the maximum assistance which will be available in any one year for cases of this kind.

In simple terms this formula requires the Minister to ascertain the total of the pay-roll tax paid in any one year by the business to be assisted, and determine the proportion of that pay-roll tax which has been paid in respect of the wages paid to the employees employed in the decentralized location. This figure then sets the maximum level of assistance available.

Obviously, in order to determine the amount of pay-roll tax paid by any business, it is necessary for the Minister or his officers to have access to the records of pay-roll tax payments kept by the Commissioner of State Taxation. Accordingly, the Bill provides this authority but the commissioner may not supply this information to the Minister or his officers unless he has sighted the written consent of the taxpayer to do so.

That safeguard will be understood by members. It is not normal for information of this kind to be made available, even within the Government itself, but it was felt it would be impracticable to administer the legislation unless it contained this provision. The added precaution has been inserted that there must be written consent of the applicant.

In addition, to preserve the essential secrecy of individual taxpayers' affairs, the Bill contains a provision which places those obtaining this taxation information under penalty if the information is used for any purpose other than administering the provisions of the proposed Assistance to Decentralized Industry Act.

Other provisions of the Bill will allow the Minister to recover any grants made which are based on false or misleading information wilfully or negligently supplied to the Minister, or in cases where the terms and conditions of the assistance have not been carried out.

It is proposed that the provisions of the legislation be brought in on a day to be proclaimed. This is to allow the department to prepare the necessary forms of application and to arrange the publication of the regulations which will determine the areas from which applications may be made. It is the Government's intention, subject to Parliament approving the legislation, to proclaim the Act to come into operation on the 1st February, 1975.

The amount provided in the Consolidated Revenue Fund Estimates for 1974-75 to meet the cost of the assistance proposed under this Bill is $50 000. It is expected that a much greater sum will be required in the next financial year as the proposed Act will then have been established and publicised.

In summary, the purpose of this Bill is to make a positive contribution to the policy of decentralization and I commend it to members.

Debate adjourned, on motion by Mr J. T. Tonkin (Leader of the Opposition).

BILLS (2): MESSAGES

Appropriations

Messages from the Lieutenant-Governor received and read recommending appropriations for the purposes of the following Bills—

1. Wheat Delivery Quotas Act Amendment Bill.
2. Assistance to Decentralized Industry Bill.

BULK HANDLING ACT AMENDMENT BILL

Second Reading

MR McPHARLIN (Mt. Marshall—Minister for Agriculture) [5.21 p.m.]: I move—

That the Bill be now read a second time.

This amending Bill provides for a charge to be made on all grain and seed producers for the 1973-74 harvest and for a similar charge in a future season subject to the Governor being assured that the provisions of the Act have been complied with.

The charge for 1973-74 is set at a rate equivalent to 75c per tonne on wheat. This proposal was initiated by shareholders at the company's general meeting and has been agreed to by the Farmers' Union of Western Australia and by producers at 18 out of 19 meetings held throughout the wheatbelt. At the only meeting where it was not agreed to the majority favoured increased tolls rather than a levy.

It is essential that these funds be made available to Co-operative Bulk Handling Limited in order that it may maintain its building and modernisation programme, particularly in the country areas. In periods of increasing labour costs, it is obviously essential that the most modern capital equipment possible be installed. At times of high returns to growers, it is appropriate that they make a substantial contribution to the company over and above their normal toll payments in order to ensure that this programme can continue.

The funds raised by this charge will be $3.4 million. Recognising that the need may exist in the future for a similar charge, the directors of Co-operative Bulk Handling submitted a proposal to the 19 meetings that provision be made for a levy in future years. They received support at 17 meetings.

Subsequently, the Farmers' Union requested that the introduction of such a charge in a future year should be subject to a referendum. Finally it was agreed between the company and the Farmers' Union that, rather than a referendum, there should be a specific provision in the Act that two meetings similar to those held during 1974 be held in each of the districts from which a director of the company is elected and that the proposal to introduce the charge should be supported by a majority of such districts and a majority of growers. All these provisions are included in the relevant clause of the Bill.

In subsequent seasons the charge set for wheat will possibly not exceed $1.10 per tonne, and the charge per tonne for other grain or seeds will again be varied according to their densities in relation to wheat. As indicated, such a charge may be imposed only for special purposes and is subject to the approval of shareholders.

It is relevant that at high taxation levels the charge probably costs the wheat farmer less than the toll as the toll is taxable while the charge, being a statutory charge, is not taxable.

A further amendment to the Act relates to the funding of the skeleton weed eradication legislation now before the House and permits the company to impose a charge on persons delivering more than 30 tonnes of grain or seed, or both. The contribution from individual growers will not exceed $30 per annum, and these moneys are required to finance the eradication of outbreaks of skeleton weed and pay compensation to growers whose crops are required to be destroyed. It is the intention that Co-operative Bulk Handling will act as a principal agent in the collection and remission of such moneys to the Skeleton weed eradication fund administered by the Agriculture Protection Board.

I commend the Bill to the House.

Debate adjourned, on motion by Mr H. D. Evans.

SKELETON WEED (ERADICATION FUND) BILL

Second Reading

MR McPHARLIN (Mt. Marshall—Minister for Agriculture) [5.25 p.m.]: I move—

> That the Bill be now read a second time.

Skeleton weed is recognised as the most serious weed of grain and other seed crops in Australia. It is a very vigorous perennial and provides strong competition and hinders harvesting.

Skeleton weed is firmly established in the wheatbelt of eastern Australia, and significant production losses are attributed to its presence. Yield losses due to the competition of skeleton weed alone have been estimated at $30 million a year, and this amount would be even higher with the ruling world wheat prices.

Grain and seed producers in this State have enjoyed an advantage because skeleton weed has not become established here. The first outbreak of skeleton weed was recorded in Western Australia in 1963. Twenty-three outbreaks have since been recorded, 10 of these occurring during the 1973-74 crop year. Most of the recent serious outbreaks occurred at Narembeen, and ranged in size from 75 hectares down to single plants. The vigorous growth, particularly of the thicker stands, caused immediate alarm and an awareness that the State grain and seed industry could be affected by skeleton weed.

Skeleton weed is well adapted to our climatic conditions, and infestations have been located at Pithara, Geraldton, Balliidu, Badgingarra, Narembeen, Perth, and Esperance. The range of areas in which the weed has been found indicates its adaptability to the cropping districts. Every effort must be made to eradicate skeleton weed now, before it becomes firmly established. Present knowledge indicates that eradication is still a definite possibility.

A suggestion was made by the Farmers' Union of Western Australia that all growers of grain and seed should be levied on production to provide funds for a major education and eradication campaign, and to provide a pool from which compensation could be paid to growers required to destroy grain, seed, crops, or bags.

Because a levy on production would constitute an excise, and only the Commonwealth Government can impose an excise, the introduction of such an equitable levy is not possible. A fixed charge is proposed as an alternative; and although some inequalities may appear to exist in such a procedure, as production and farm size are not taken into account, the importance of eradicating skeleton weed makes it necessary to introduce legislation immediately to provide funds by imposing such a charge on growers.

The inequity is not as great as would at first seem to be the case. The only way in which skeleton weed will be eradicated in Western Australia is for individual farmers to be fully conscious of their responsibility to look for, report, and assist in the eradication of this plant. Education must be a substantial part of the campaign. It is therefore directed to the individual, whether he be a small or big farmer. Equally, a small farmer may receive as much compensation as a large farmer if he happens to have an outbreak in an individual paddock.

I will now outline the main features of the Bill. It provides for the establishment of a fund to be known as the skeleton weed eradication fund. Contributions by growers and any interest credited shall be kept in this fund.

Allowance is made for payment from the fund with Agriculture Protection Board approval and subject to the approval of the Minister for Agriculture.

The Bill specifies the types of payment which can be made. These include expenses directly related to the campaign, and compensation payments to farmers required to destroy grain, seed, crops, or bags. The clause also allows for the investment of moneys in the fund by the Treasurer and the disposal of any excess funds remaining at the end of the three-year term of the legislation; that is, the 1975-76 crop year. Any moneys in credit at that time may be used by the Agriculture Protection Board, subject to the Minister's approval, to control weeds commonly occurring in crops.

Allowance has been made for the Treasurer to advance money to the fund. Any such advances are repayable by the protection board from the fund.

The Bill details the liability of growers to pay contributions. Each grower producing more than 30 tonnes of grain or seed shall be taxed $30 in each of the crop years 1973-74, 1974-75, and 1975-76. A grower is required to pay only on total production of grain and seed and, in the case of multiple payments which may arise if contributions are deducted by more than one marketing or handling authority, all amounts in excess of $30 shall be refunded.

The Minister may appoint a receiver of grain as an agent to collect contributions from growers. Provision has been made for a body corporate or a person to be appointed a receiver of grain.

The Bill permits a receiver of grain without any further authority than that given under the Act to deduct contributions from growers. These receivers and Co-operative Bulk Handling Limited are required to forward to the protection board a return of all deliveries, together with contributions deducted from the growers. It is the intention that CBH will act as a principal agent in this respect, and clause 4—section 34D—of the Bulk Handling Act Amendment Bill now before the House will enable the company to make deductions from growers.

The Bill enables compensation payments to be made to growers required to destroy grain, seed, crop, or bags. The value of the items destroyed is based on their value at the time, determined by agreement between the board and the owner, and is not to be reduced because of the presence of skeleton weed. Before grain or seed is destroyed, samples are required to be taken by the grower and inspector and, in the event of a dispute, an officer of the Department of Agriculture shall assess the value by examining the samples.

The decision of the officer is final. A Local Court has the final decision in the event of a dispute over the value of a crop or bags, and either party may appeal to the court.

Provision has been made to limit the operation of the Bill up to the 1975-76 crop year, and no longer.

I commend the Bill to the House.

Debate adjourned, on motion by Mr H. D. Evans.

RURAL AND INDUSTRIES BANK ACT AMENDMENT BILL

Second Reading

Debate resumed from the 14th November.

MR J. T. TONKIN (Melville—Leader of the Opposition) [5.32 p.m.]: The conditions governing long service leave entitlements are set out clearly in section 36 of the Act. This amending Bill proposes to change that section in order to provide flexibility so that it will no longer be necessary to introduce amending legislation to Parliament when it is proposed to upgrade long service leave entitlement.

It is proposed in future this will be done by the regulation-making power which will be provided by this amending Bill. So, from time to time when it is felt desirable to improve long service leave conditions the Rural and Industries Bank, in consultation with the Treasurer, will be able to make these very necessary and desirable changes. We think this is quite a good forward step. It is no longer necessary to spell out in an Act of Parliament the conditions which should apply so far as long service leave is concerned.

The two sets of employees concerned are properly acknowledged. No possible conflict of interest will arise between employees of the Rural and Industries Bank and employees in branches of the Public Service. That being so, it is expected that conditions in the banking field, because of the very nature of its operations, are likely gradually to improve upon those in the Public Service, and maybe this will enable conditions in the Public Service to improve somewhat more quickly than they otherwise would do because of the example which will be set.

The amendments are several in character. It will be necessary for the commissioners of the bank and the Treasurer to agree on the proposed changes. One desirable change is that it will become possible to make *pro rata* payments to those persons who do not complete their full period of qualifying service, either because they are dismissed or die, or because of illness they cannot carry on with their jobs. Under the Act at present it is not possible for *pro rata* payments to be made, except in the case of married women who receive a payment in the nature of a marriage allowance upon retirement, even though they have not completely filled the necessary requirements so far as period of service is concerned.

It is also intended that the commissioners of the bank shall be covered by the alteration, and whilst it might be argued there is no necessity for this I feel it is quite desirable it should be clearly set out that the conditions which will apply to bank employees will apply also to the bank commissioners.

I think that covers all I desire to say in connection with the measure. I repeat, this flexibility is desirable, and the amendment will make it possible.

Perhaps I should have regard for the fact that the Australian Bank Officials' Association at present has a claim before the banks for substantially improved conditions, inasmuch as the association is seeking to obtain for its members 13 weeks' long service leave after the first 10 years of service, and then 13 weeks' leave after the next six years of service, and then a further 13 weeks' leave after the next six years of service; whereas the conditions applying to bank officers at present are that they receive 13 weeks' leave after the first 10 years of service, 13 weeks' leave after the second 10 years of service, and 13 weeks' leave after the next seven years of service.

So it is obvious that some improvement to those conditions is desirable, and the amendment to section 36 of the Act will make it possible for by-laws to be issued to give effect to any desirable changes which are agreed upon.

It is intended the measure will come into operation on a date to be proclaimed, and it is also intended the proclamation of the Bill will be synchronised with the promulgation of the regulations, so that when the regulations are ready for application the measure may be proclaimed and the conditions agreed upon may then be brought into operation.

We support the Bill.

MR HARTREY (Boulder-Dundas) [5.39 p.m.]: Like my distinguished leader, I support the Bill. However, while congratulating the Government on its charitable attitude towards bank officers, it is appropriate to remind the Government and the House—and through them the people of Western Australia—of the fact that very recently the Industrial Commission refused to grant similar conditions to the miners on the goldfields who work underground, excluded from light and air for long periods of time. I do not know that the work of a bank officer is any more arduous than that of an underground mineworker; in fact, I am firmly convinced it is not.

The SPEAKER: If the member for Boulder-Dundas were making the case in reverse he would be in order, but I am afraid he cannot persist in speaking in this vein and making out a case for some other workers. We are talking about bank officers.

Mr HARTREY: I must, of course, bow to your ruling, Sir, but surely it is not wholly irrelevant to the subject we are discussing for me to point out that whilst it is a good thing to give generous conditions of long service leave to certain government officers—and that is what the Bill is all about—it would not be any less logical to extend the same privileges to other persons who labour under much more distressing circumstances and who cannot perform their first 10 years of service without contracting certain elements of a fatal disease, and cannot complete their second period without contracting that disease to a serious degree.

SIR CHARLES COURT (Nedlands—Premier) [5.41 p.m.]: I thank the Leader of the Opposition and the member for Boulder-Dundas for their support of the Bill. The Leader of the Opposition very succinctly summarised the provisions, intentions, and purposes of the Bill. The member for Boulder-Dundas, as you noted, Mr Speaker, introduced another note. I simply point out this Bill deals only with the method whereby the long service leave conditions of officers of the Rural and Industries Bank may be varied, and does not deal with the quantum of leave.

It is true in introducing the Bill I gave some examples and also referred to a negotiation which is current and deals with quantum of leave. However, the Bill itself deals only with the method. I have noted the remarks made by the honourable member.

Question put and passed.

Bill read a second time.

In Committee, etc.

Bill passed through Committee without debate, reported without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Sir Charles Court (Premier), and transmitted to the Council.

RESERVES BILL

Second Reading

MR RIDGE (Kimberley—Minister for Lands) [5.45 p.m.]: I move—

> That the Bill be now read a second time.

I think members will be aware that this is a Bill which, traditionally, is introduced towards the end of each session of Parliament, and the reason for its introduction at a late stage in the session is to give the Parliament, or the Lands Department, an opportunity to include as many variations as it can in the Bill to save holding them over until the following year.

The Bill now before the House proposes seven effective variations, and I intend to offer a brief explanation in relation to each of these.

Clause 1 is simply the short title of the Bill.

Clause 2: A large number of reserves at centres throughout the State were set apart as endowments to provide a source of income for the trustees of the Public Education Endowment appointed under the Public Education Endowment Act, 1909. Fifty-eight of these reserves remain, of which 44 are vested in the trustees by way of Crown grants in trust and 34 of the total are Class "A" reserves. In 1970 the Act was amended to authorise sale by the trustees of any land vested in them and transfer of the land to the purchaser free of all trusts. Previously, the trustees required parliamentary authority for such sales, and any Class "A" reserve requiring amendment or cancellation could be dealt with as part of the same clause in a Reserves Bill. As the trustees can now sell land without seeking special parliamentary approval, it is expedient to reduce all remaining Class "A" reserves to Class "C". These reserves can then be adjusted at the time of sale without having to obtain further authority from Parliament to comply with the requirements of section 31 of the Land Act, 1933. The reservation will still provide satisfactory identification of land use and control until the trustees wish to dispose of the land.

Clause 3: Stirling Range National Park contains 115 683 hectares comprised in Class "A" Reserve No. 14792 and includes a small section at Hamilla Hill severed from the main reserve by a farm. This section was added to the reserve to protect outstanding flora but does not include the whole of the hill. The farm is established on Plantagenet Locations 4521, 7034, and 4353 and contains part of Hamilla Hill as well as being severed by a narrow section of arable land within the reserve but not containing flora of note. The proprietors of the farm suggested that the strip of national park be granted to them by way of exchange for two sections of their farm on the lower slopes of Hamilla Hill. After an inspection, the National Parks Board agreed to the request and the three parcels of land have been surveyed to enable the exchange.

Clause 4: Portion of Langley Park is set apart as Class "A" Reserve No. 17826 for park and gardens and is vested in the City of Perth. A sewerage pumping station is established on Class "A" Reserve No. 13950 which abuts on the west and is controlled by the Minister in charge of water supply, sewerage and drainage. Closure of portion of Terrace Road deprived the pumping station of its access, and the City of Perth has agreed to excision of a strip five metres wide from Class "A" Reserve No. 17826 for addition to Class "A" Reserve No. 13950 and so provide an outlet to Adelaide Terrace.

Clause 5: For several years, the Esperance Bay Historical Society and the Shire of Esperance have been seeking a site for a museum. In 1971, it was decided that a small section of Class "A" Reserve No. 26838 set apart for parklands opposite the superphosphate works would be satisfactory. There were no recorded objections and a clause to excise a suitable area from the reserve was included in the Reserves Act of 1971. Before the intent of that clause could be carried out, the proprietors of the superphosphate works drew attention to a prior arrangement that this reserve would be kept intact to provide a strip of vegetation as a buffer between the works and other land users. It was stressed that the museum would inevitably lead to disharmony and the company felt so strongly about the matter that it offered payment of $1 000 to the historical society to reimburse expenses and assist in establishment elsewhere. An excellent museum site incorporating a large railway goods shed has now been made available and the company has paid $1 000 to the society. This clause will reinclude the redundant museum site in Class "A" Reserve No. 26838 and so preserve the buffer of vegetation opposite the superphosphate works.

Mr H. D. Evans: What is the classification of that buffer zone?

Mr RIDGE: Class "A" reserve. That is No. 26838 which was set apart as parklands opposite the superphosphate works. It is shown on some plans and described in notes which have been handed to the Leader of the Opposition.

Clause 6: Class "A" Reserve No. 24939 at Farrar Siding was set apart for recreation in 1958 to meet a demand then existing. It was formerly the bulk of land in a redundant railways water supply catchment and includes the dam, which at that time was salt. The balance of the catchment was sold under conditional purchase in view of the state of the dam. In recent years this dam has filled with water acceptable for farm use and has been used as a source of supply in dry seasons. The reserve is at present vested in the Shire of Kojonup, but after discussion with the Public Works Department, it has been agreed that administration would be better suited by altering the purpose to "Water and Recreation" and transferring control to the Minister for Water Supplies. Power to lease will provide means of delegating control of recreation activities to the shire.

Clause 7: Reserve No. 1275 contained 5.276 1 hectares when it was created in 1887 to provide a park at Wyndham. In 1908, the purpose was changed to recreation and parklands and it was classified as of Class "A", but the reserve has never been vested in any organisation and there is no evidence remaining to show that it was ever developed for its purpose. In 1929 a substantial section was excised for use as a cemetery, and in 1963 another reduction provided a small residential subdivision as well as portion of a block

identified as Wyndham Lot 611, these actions leaving a residual area of 1.783 1 hectares. Lot 611 was designed as a site for a camp and depot operated by the Public Works Department, but the structures overflowed on to abutting reserves. This camp and depot is a major district establishment and the Shire of Wyndham-East Kimberley has no objection to reservation of all land required for that purpose. A new lot surveyed as Wyndham Lot 1366 has been created so that the whole area occupied by the Public Works Department can be set apart as a single reserve. This will leave 9 637 square metres available for recreation if the need should arise.

Clause 8: Kalbarri National Park contains 186 623 hectares comprised in Class "A" Reserve No. 27004 and one boundary adjoins the Red Bluff caravan park. It has been found that the rocky terrain on which the caravan park is sited does not permit adequate absorption of drainage and waste, so the lessee requested inclusion of an area of deep sand at present within the national park. Both the Shire of Northampton and the National Parks Board agree to this solution and it is proposed to excise 3 180 square metres from the national park and extend the caravan park.

In accordance with established custom, some notes relating to the Bill and a set of plans relating to each of the areas in question have been handed to the Leader of the Opposition, and I commend the Bill to the House.

Debate adjourned, on motion by Mr H. D. Evans.

MONEY LENDERS ACT AMENDMENT BILL

Second Reading

Debate resumed from the 22nd October.

MR BERTRAM (Mt. Hawthorn) [5.54 p.m.]: The Opposition opposes this Bill. It recognises it for what it is; that is, a blatant, unmitigated, frontal attack upon the consumers of the State in their thousands. Many thousands of people will suffer this blow well and faithfully in their financial midriff, and others will suffer the adverse consequences which will flow from the amendment proposed in the Bill.

Whilst those who will not suffer the impact directly may not suffer so greatly from the increases in the rates of interest, it may well be that the relative impact felt by them could be even greater.

I have said that we on this side of the House oppose the Bill, but the only hope of a successful opposition to the Bill will be if the National Alliance, the Country Party, or whatever its name may be for the time being, comes onside with the Opposition. The Country Party must realise that this Bill will involve directly, in extremely increased interest charges, the people it is supposed to represent. That party has been complaining for months about the adverse acts that have been committed against the interests of the rural community and the farmers, yet here are the members of that party providing another attack upon that very section of the community.

This is an occasion when the Country Party can seriously do what its executive has recently been intimating it hopes it will do; namely, stand up to the Conservatives who are, of course, the members of the Liberal Party in this State. Here is an opportunity for the Country Party to say: we recognise that this Bill will cost the farmers huge sums of money as a result of the various interest bills they have to pay and the accounts they run with the various stock firms such as Dalgetys, Elders, Wesfarmers, and other similar organisations.

There is no complaint about those organisations, because they provide the necessary finance to farmers, but they will be forced into the position of having to increase their interest rates. In fact, this Bill not only places upon those firms the obligation, but also provides them with an incentive, to increase their interest rates. So far as I can see, whilst it has been in Government the Country Party has achieved only two objectives; that is, the establishment of the traffic authority and the granting to its particular constituents the right to place on their vehicles' number plates a prefix indicating the districts in which the owners of the vehicles live. Apart from that, what the Country Party has done is to impose heavier charges on the farming community for the supply of water and, in respect of the daylight saving legislation it has been extremely negligent in that it has allowed the voting weight of the rural communities to be heavily discounted. This means that each person residing in a rural district will be entitled to only one vote which will be of equal value to the vote held by each person residing in the metropolitan area.

On a matter as important as this is, I would have thought the Government would give the consumers—for whom it is supposed to have such great concern—some notice of its intention to introduce a measure of this kind. The other evening we had what was alleged to be a sample of the Government's sympathy for the consumer, but obviously it showed absolutely no heart for the measure. The Government went through the formality of establishing a small claims tribunal that will deal only with a small number of claims each year, manifestly showing that it has really no concern for the consumer. Yet here the Government, within a few hours almost, in the same breath, is introducing a Bill which will have the effect of increasing to the maximum the interest charges that can be imposed by those who lend money. Under the provisions of this Bill interest charges will be increased at the rate of 33⅓ per cent in one jump.

Mr Laurance: Have not the other States been charging a great deal more for interest?

Mr BERTRAM: Yes, they have, and I will tell the honourable member about that shortly. In one jump the interest rate is being increased from a maximum of 15 per cent to 20 per cent, which represents an increase of 33⅓ per cent. Further, there is no indication as to how that huge increase is justified and I will refer to that as I go along. As a matter of fact, one of the reasons given was that this increase in interest rates will stem the drift of finance to the Eastern States, which, of course, it will not do.

As the honourable member yonder is apparently aware, the interest rate in Victoria is something like 48 per cent, and with the exception of one other State, there is no interest ceiling at all. Consequently that is a sham reason if ever there was one. The Government has absolutely no mandate to do this. I will stand corrected if I am wrong, but I understand no mention of an increase in interest rates is to be found in the Liberal Party policy speech and most certainly I would have the gravest doubts whether there was any intimation in the policy speech of the then National Alliance—now the Country Party—of its intention to raise the interest burden on the farmers. Yet here it is in its most frightening form, because it is not just a small increase, but a 33⅓ per cent increase in the first instance with better—that word should be in quotation marks—to come at an early date, so it would appear.

For a long time now the Government and its supporters have been talking about inflation and the need to do certain things about it, but the Government has done very little, if anything, itself. In his policy speech the Premier pointed out that to dispose of the problem of inflation was a simple matter, but somehow the magic wand he possessed has suddenly eluded him. The proposal in this Bill is a clear attempt to stimulate inflation.

Mr Laurance: That is rubbish!

Mr Clarko: It would be impossible. It is 500 per cent up on two years ago.

Mr BERTRAM: Perhaps the interjectors may be able to put the House right on this point also and explain how increasing interest rates will help with anything but inflation.

Mr Laurance: Who is increasing rates?

Mr BERTRAM: This Government is.

Mr Laurance: The Bill does not do that.

Sir Charles Court: Tell us where the Bill does that.

Mr Laurance: You should read the Bill before you stand up to talk.

Mr Bryce: We are waiting to hear a speech from the members for Gascoyne and Karrinyup.

Mr A. R. Tonkin: You have permission to speak on this one, have you?

The SPEAKER: Order!

Mr BERTRAM: For the benefit of the member for Karrinyup, as he has not read the Bill, I draw his attention to the fact that the interest rate previously was set at a maximum of 15 per cent and that will be increased in the first instance, and in one bite, to 20 per cent.

Mr Clarko: By whom?

Mr O'Neil: Where is that in the Bill?

Mr Clarko: You are wrong again, because I did not make that interjection. The member for Gascoyne did.

Sir Charles Court: You are waffling on as usual. It is not in the Bill.

Several members interjected.

The SPEAKER: Order!

Mr BERTRAM: Just to assist those members opposite who obviously have not read the Bill nor the Minister's introductory remarks, I will quote something he said.

Mr O'Neil: That is not in the Bill. It is what I said.

Mr BERTRAM: The Minister said that it is the Government's intention, subject to approval by Parliament of the regulation, initially to prescribe a maximum rate of interest of 20 per cent.

Mr O'Neil: That is not in the Bill though; that is by regulation. You just said it was in the Bill, and you should know it is not.

Mr Clarko: Luckily—

The SPEAKER: Order!

Mr Clarko: Luckily—

The SPEAKER: Order! I am speaking. The member for Mt. Hawthorn!

Mr BERTRAM: The maximum rate is 15 per cent at the moment. I think that is set by—

Mr O'Neil: That is in the parent Act.

Mr BERTRAM: —section 11 or 11A of the Act. The Government does not intend to substitute the words and figures "20 per cent". It intends to put there "a prescribed figure". As I intimated a moment ago, the Minister has said that for a start the prescribed rate of interest will be 20 per cent, which, as I have said, is a 33⅓ per cent increase in one jump.

I hope now that I have got the message over and that it is clearly understood, because I am perfectly happy to accommodate those who are unaware of the contents of the Bill, have not read the Minister's speech, and do not appear to have even listened to it.

When looking at a speech made in 1912 in respect of this legislation I was interested to notice a comment by Mr Dwyer,

MLA, that there was a time when the Christians did not allow one another to charge interest on money loaned. I would be interested to know what the modern-day Christians think about the proposition of charging 20 per cent with "better" to come.

Mr A. R. Tonkin: "The prescribed amount"!

Mr BERTRAM: We say that interest in these dimensions is completely harsh and unconscionable except in extraordinary circumstances, and it is for that reason, among others which I will advance, that we oppose the Bill. I underline the earlier remarks I made by repeating what I have said, that the only hope of this Bill being defeated will be if members of the Country Party, or a few of them, come over and support the Opposition.

Mr A. R. Tonkin: No chance.

Mr BERTRAM: That is very true.

Mr A. R. Tonkin: They are not a party at all. They are a pale shadow.

Mr Bryce: An appendage.

Mr BERTRAM: Some members of the Liberal Party will appreciate the fact that the Country Party does not have in its platform that new-found provision which takes an extremely dim view of organisations within and outside the Parliament disciplining its members. As far as I am aware, the Country Party cannot be disciplined. Its platform does not provide for that.

Several members interjected.

The SPEAKER: Order!

Mr BERTRAM: Eight months have elapsed since the State general election in respect of which inflation was an important issue. This Bill to increase interest in this manner is really the first obvious step the Government has taken which will affect inflation in any way, and all it will do is, by way of cost push, aggravate inflation and achieve things which the Australian Government, by legislation of recent times, has been striving and laying the foundations to guard against; but more of that in a moment.

I suppose the intention of the Government to amend the Money Lenders Act in this way would have been thoroughly predictable by discerning people watching the political scene; but whether or not that be so, the matter is of sufficient importance to have required the Liberal and Country Parties quite frankly and honestly to say that, once they became the Government, at an early time they would take steps to increase the price of money by increasing the interest liable to be charged under the Money Lenders Act. In fact this is something akin to another tax not only upon the metropolitan consumer, but also upon the farming community.

Strangely enough, the Bill happens to be a price-fixing measure because what it does is to fix the price of money. Once again the public would be a little puzzled by this proposition because many have been forced to believe, by continual repetition and propaganda, that this is contrary to the platform of the Conservative party when, in fact, it is really not. The only price fixing not opposed by the Government is price fixing by individuals, companies, firms, and the like. As far as I am aware that party has no objection to that type of thing whatever. From a perusal of the Federal platform of the Liberal Party I have not been able to find thus far any plank which says that the Liberal Party is opposed to price fixing.

Furthermore the Liberal Party is not opposed to centralism. I observed this by looking at its platform. Nonetheless, many times we hear members of the Liberal Party complaining about centralism one ingredient of which is uniformity. One of the ingredients of centralism, which the Liberal Party says it does not like very much, is uniformity and yet if we take notice of what the Minister said, one of the purposes of the Bill is, in effect, to achieve uniformity which, of course, as I will point out shortly, is something it most certainly will not achieve.

The increase is completely unmitigated. It will fall even harder on the community because clause 5 proposes to repeal section 20A which prohibits advertising the willingness to borrow money at above certain rates.

Mr Laurance: Would you like a lesson on how interest rates are struck?

Mr BERTRAM: That section also prohibits invitations to people along the same lines. Members will be interested to know that while that provision has been in the Act for a few years, the penalty for that type of activity is nothing less than $500.

Under the Bill the whole of that section is to be deleted, so not only is the rate to be increased by 33⅓ per cent in the first instance in one big bite, but, by the deletion of that section, there will be absolutely no bar placed upon advertising of loans at these huge rates, and absolutely no bar against invitations of the type envisaged in section 20A. Consequently the flood gates will be opened and adverse consequences will flow right down through the commercial world, and among those whom this legislation will hit with great force are the farming communities.

Mr Laurance: You say interest rates will go up to 20 per cent when the Bill goes through?

Mr BERTRAM: The Minister has said this, as I have already indicated. Initially the prescribed amount would be a maximum interest rate of 20 per cent.

Mr Young: Stop trying to fool the public. You know better than that.

Mr Laurance: You say it will go up to 20 per cent?

Mr BERTRAM: Apparently the member for Gascoyne is not aware of his Premier's—

Mr Laurance: I am asking you a question.

Mr BERTRAM: Can I do better than to quote the honourable member's leader on these matters?

Mr Laurance: You are speaking. I would like you to answer.

Mr BERTRAM: I propose to rely on him. I do not know whether I can lay my hands on his remarks at the moment.

Mr Laurance: Answer my question. I believe you are saying that interest rates will go up to 20 per cent when this Bill goes through.

Mr BERTRAM: Furthermore I believe the leader of the member for Gascoyne—the Premier—has exactly the same view.

Mr Laurance: We have your view, anyway.

Mr BERTRAM: Ask me in six or so months' time and I will point out that what I envisage will happen, has in fact occurred.

Mr Laurance: What do you expect the inflation rate to be in six months' time?

Mr BERTRAM: Is not the purpose of this Bill to enable people to put up rates and so compete with those in the Eastern States? The Minister has said that. If the member for Gascoyne disagrees with the Minister, he should argue with him, not with me.

Mr Laurance: That is the going rate of money; you do not understand that.

Sitting suspended from 6.15 to 7.30 p.m.

Mr BERTRAM: Before the tea suspension a number of points were made and others emerged; the main point being, of course, the fact that the Government by increasing the maximum interest rate from 15 to 20 per cent is going to make it possible for many people to lend at that increased rate; I refer to those who currently and for quite a few years past have been confined to an interest rate of 15 per cent.

The point is also made that the only hope of defeating this iniquitous and unnecessary Bill which seeks to impose this excessive charge by way of interest is for the Country Party—or at least some of its members—to have the courage of their convictions and for them to do the right thing by the people they represent—the farmers throughout the State—and vote with the Opposition.

The member for Gascoyne has already intimated a degree of sympathy for the Bill. Strangely enough he appears thus far to be supported by the member for Karrinyup and the member for Scarborough.

We on this side of the House are opposed to excessive and unnecessary activity and authority on the part of Ministers and the Executive. We take the view that in so far as it is possible and practical—and this would appear from the Liberal Party Federal platform to be its view—Parliament should be the body which should deal with the important questions which affect the public. However, in this Bill there is significant departure from what has been the policy of successive Governments for many years past.

I refer to the Federal platform of the Liberal Party—so called—of Australia, which states at page 9—

> A vital issue of Parliamentary reform concerns the moderation of the dominance of the executive arm of government. Parliament should not be bypassed by the unchecked development of the practice of government by regulation or the exercise of Ministerial discretions.

It is true, of course, that this platform only became law, so it would appear, in October of this year; but notwithstanding that, we have an amendment clearly written into this Bill which will eliminate any actual expression of the interest rate, because it will be substituted by a prescribed rate which to the uninitiated lay reader will not mean a thing. Proposed new section 22 in the Bill seeks to add the words—

> The Governor may make regulations prescribing the respective rates or maximum rates, as the case may be, of interest for the purposes of respective sections of this Act.

So notwithstanding the Opposition's attitude to excessive activity on the part of the Executive, and notwithstanding the expressed provision as it appears in the Federal platform of the Liberal Party, here we have a blatant provision running counter to it; here we find a rate will be prescribed and from time to time the rate will be fixed by regulation.

In the first instance we have been told, and I have indicated this, the interest rate will be increased to 20 per cent.

Mr O'Neil: Your leader supported the very same principle in the previous Bill before the House.

Mr BERTRAM: The fact of the matter is that if ever there was a Bill in which the rates should be clearly spelt out, and in which the rates should be fixed initially and from time to time by Parliament it is in this particular legislation.

Mr O'Neil: Why in this Act and not in others?

Mr BERTRAM: First of all it is extremely important for reasons I have given and others which I shall give, because the lay people who pay the interest want to be able to pick up the Act to see what the rate is. They do not want to have to find

the prescribed rate by going to a lawyer and digging down wherever the parliamentary papers are to find out what the rate is.

Mr O'Neil: Do you think they do that now?

Mr BERTRAM: They do go to lawyers, yes. The principle contained in this Bill is a departure from what Governments have done in the past. We are departing from well-worn custom.

Mr O'Neil: You mean worn-out custom.

Mr BERTRAM: When we have a departure from the norm, people ask, "Why this?" This is the obvious question that people must ask in the circumstances. In the first instance the rate will be going up to 20 per cent, but immediately this becomes law the rate will be raised again by regulation; there will be no publicity at all and we will find it will go up another 5 per cent, perhaps, or whatever, because the express intention of the Minister introducing the Bill is to bring it up to the level of the Eastern States.

Mr Rushton: That is your interpretation of the position.

Mr Young: I take it you have written to the Prime Minister and the Treasurer expressing your grave concern at the levels to which they have increased interest rates?

Mr BERTRAM: I also propose writing to the Treasurer and congratulating him on the fact that only a few months ago he introduced legislation called the Financial Corporations Act, 1974.

Mr Young: Why not answer the question? Have you expressed your concern at the manner in which the interest rates have been increased by the Commonwealth?

Mr BERTRAM: I am seriously considering writing to the Treasurer and congratulating him on the enactment of the Financial Corporations Act, 1974.

Mr Rushton: You had better hurry up because he might not be there for long.

Mr BERTRAM: Under the heading, "Interest Rates" in division 4 of that legislation it is stated—

> The regulations may prohibit the receipt or payment of interest by a registered corporation at a rate exceeding a rate determined from time to time by the Reserve Bank.

I will refer further to that in a moment, because it seems to me to be a little coincidental that the Commonwealth legislation has barely become law when we find an amendment being brought down to our Money Lenders Act. One wonders at the extraordinary coincidence and the timing of this measure.

A great number of people will probably take the view it is not coincidence at all; that it is a move designed to defeat the Australian Government in its clear attempt to do something about controlling interest rates.

Mr Young: It has done nothing but increase them since it took office.

Mr BERTRAM: The honourable member did not hear what I said. I refer to the Financial Corporations Act which has just been enacted in the Federal Parliament—

Mr Young: I am not talking about that.

Mr BERTRAM: —to help us come to grips with the question of interest rates.

Mr Rushton: You want to get with it.

Mr BERTRAM: What happened years ago when interest rates charged by the banks came under supervision? The obvious move which was quite legal was to channel money out of the banks into the finance corporations. So for a decade or so we had an area of no law, because the previous Liberal Party Government had no heart to take up the tab in this respect. This was left to the present Labor Government to do which, of course, it has done.

There are many of these corporations throughout Australia which are making a tremendous impact on the economy and are, consequently, affecting the inflation rate in a significant way.

Now, however, with the advent of the Financial Corporations Act, which was introduced a few months ago by the Australian Labor Party, there is every evidence to indicate the banks are coming under control and that the finance corporations will also come under control.

So what will the lawyers and the finance people about the place be thinking? The obvious thing to do will be to channel one's money out of this area and put it somewhere else. This will assist the people who support those on the other side of the House, and will do injury to the overwhelming number of people who are the consumers whom we on this side of the House represent.

Mr O'Neil: With whom have you discussed this Bill?

Mr Clarko: How do you make that out?

Mr BERTRAM: One has to look at the statistics and this is the pattern that emerges. The banks come under the control of the Federal Government and the rate was fixed some years ago by the Reserve Bank or whatever body fixes the interest rate. But now we come to the Financial Corporations Act which controls all those instrumentalities and companies.

Mr O'Neil: Including money lenders?

Mr BERTRAM: We find that the ink has barely dried on the Commonwealth legislation when steps are being taken by the State Government to open the way so that the money lenders can come

through on the rails and have an area of virtually no law. There is virtually no law in some States.

Mr O'Neil: There is no law in South Australia and the Australian Capital Territory.

Mr BERTRAM: It is not possible to change all of the law in Australia in five minutes. The present Australian Government has been there only a short while.

Mr O'Neil: With whom have you discussed this Bill?

Mr BERTRAM: With several people.

Mr O'Neil: Tell us who they are. You blame us for not discussing legislation with the people concerned.

Mr BERTRAM: I can tell the Minister that Caucus will not have a bar of it; and if he goes down the street and asks the Joe Blows, so "affectionately" referred to by the Premier, he will find that only one bloke in 100 is in favour of it.

Mr O'Neil: I asked you with whom you had discussed it. Have you spoken to them?

Mr BERTRAM: The other 99 will not have a bar of it.

Mr O'Neil: That is only assumption; you cannot prove it.

Mr BERTRAM: I will prove something else in a moment.

Mr O'Neil: You can prove anything you like; but you have not discussed this Bill with the people about whom you are talking. I suggest you discuss it with your leader.

Mr BERTRAM: This Bill will do no good to the people whom we represent.

Mr Clarko: You do not represent anybody now. The Gallup poll shows that.

Mr Jamieson: You will need more than a Gallup poll to help you.

Mr BERTRAM: All this Bill will do will be to assist inflation to be converted into galloping inflation, and that is what the honourable member is supporting.

Mr O'Neil: That is an assumption I would like you to prove.

Mr BERTRAM: I would ask the member for Karrinyup at what stage of the interest rate would he become anxious to stop the increase. He is quite happy with the interest rate at 20 per cent.

Mr Clarko: If the Federal Government would control inflation this would have an effect on the interest rate.

Mr BERTRAM: This Government is not able to do it; the Premier was going to do this six months ago but he has not succeeded. It may be that the Premier will be able to find the magic wand that he has lost since the 30th March.

Mr Sodeman: Mr Whitlam has lost it also.

The SPEAKER: One interjection at a time please.

Mr BERTRAM: As I understand the position, when a Minister introduces a Bill he should provide some evidence of justification for it. It he does not do that, he may as well not speak at all. I thought the purpose of a second reading speech was for the Minister to tell the House about the mischief the measure seeks to fix. He should tell us of the advantage the Government wishes to give to the people and also the way the Government intends to do this. However, look as we may through the Minister's second reading speech, we battle to find some justification for the measure at all. As a matter of fact, I will show that some of the purported justification does not exist either. If there is any real justification for the measure, it is not in the speech, and some of the purported justification is not based on fact. Having made that statement, I will tell the House what the Minister had to say about the measure. He said—

> Therefore, at this point I would mention that as commercial practices have changed considerably since 1912—

That is the date of the parent Act. To continue—

> —the Act quite clearly requires a complete review to bring it into line with modern commercial and financial operations to provide the protection which it originally was designed to give.

Now this Act was designed originally to protect the borrower. I fail to see how a jump from 15 per cent to 20 per cent in the first instance, with other jumps coming up—

Mr O'Neil: That is an assumption, of course.

Mr BERTRAM: —would assist a borrower. I believe the average borrower would say it is no help to him at all.

Mr O'Neil: Your comments imply that we are setting a minimum rate, and you know it is a maximum.

Mr BERTRAM: It is an attack on the borrower. The Minister says that this 20 per cent interest rate is a maximum. However, knowing human nature and being aware of what usually happens with private enterprise, I believe most money lenders will be using the maximum rate.

Mr Laurance: There is only one person in Australia who knows less about economics than you do and that is Mr Crean.

Mr BERTRAM: I think that remark applies more to the honourable member himself. The member for Gascoyne represents a rural electorate. What will happen when he returns to his electorate and his constituents inform him of the interest being charged by stock firms, and so on? The honourable member will be able to

say to them that this Bill was introduced by his Government and that he supported it in toto.

Mr. Laurance: They will pay the going rate to a Western Australian firm rather than to an Eastern States one as at the moment. The going rate of interest is set by your colleagues in Canberra.

Mr Clarko: Don't you know who controls interest rates in Australia? It is the deliberate policy of the Federal Government.

Mr BERTRAM: What nonsense.

Mr O'Neil: It isn't nonsense. It has been stated by Crean as the Government's deliberate policy.

Mr Clarko: And what is more, Crean has said so implicitly.

Mr BERTRAM: Clearly members opposite do not believe what the Minister said in his second reading speech.

Mr Laurance: We certainly do not believe you.

Mr BERTRAM: I will not arbitrate on that matter, as probably I would be hurt.

Mr O'Neil: You will get hurt. You have no capacity to arbitrate on anything, the way you are carrying on.

Mr BERTRAM: Statements made by members opposite are in direct contrast with the statements made by the Minister. One of the other reasons given, and one which I have already referred to—

Mr O'Neil: It will be tedious repetition if you say that again.

Mr BERTRAM: —is to bring the Act into line with modern commercial and financial operations.

Mr O'Neil: Do you think we ought to repeal the Act?

Mr BERTRAM: I am quite satisfied from the Minister's performance on this Bill that he most certainly would repeal it.

Mr O'Neil: I asked you a question: Do you think we ought to repeal the Act?

Mr BERTRAM: My answer is, "Yes". Government members would repeal it.

Mr O'Neil: Thank you, that is very interesting.

Mr Young: It shows how much you know about the Bill.

Mr BERTRAM: I think I will correct my statement.

Mr O'Neil: Just a little correction—you ought to say "No".

Mr BERTRAM: What I sought to say, as the Minister well knows—

Mr O'Neil: He knows, but I'm absolutely certain you don't.

Mr BERTRAM: —is that judging from his performance in regard to this measure, the Government most certainly would remove this legislation from the Statute book altogether.

Sir Charles Court: We asked you and you said we ought to repeal the Act.

Mr O'Neil: It is in *Hansard* now.

Mr BERTRAM: I am not particularly concerned about that as I have corrected the slip I made.

Mr O'Neil: Your incompetence in that matter shows the incompetence in your whole speech.

Mr BERTRAM: As I have already observed, this Act was introduced in 1912 to protect borrowers. This amending Bill is a clear, unadulterated, unequivocal attack upon borrowers.

Mr Laurance: The Act worked perfectly well until December, 1972.

Mr BERTRAM: In his second reading speech the Minister attempted to justify the Bill. He told us the Act would be reviewed completely to bring it into line with modern financial and commercial operation. Fair enough, but as the Minister did not tell us any more than that, we asked him about other things.

Mr O'Neil: You did that.

Mr BERTRAM: On Tuesday, the 29th October, 1974, we asked the Minister a simple, straightforward question to give him ample opportunity to justify this measure. Part (8) of our question read as follows—

> Will the Minister supply particulars of the main changes in commercial practice which has caused the Government to decide to "bring forward a Bill more suited to modern conditions"?

The Minister replied that these details would not be available until the proposed review was completed. Here we have the Minister making a statement pointing out a need to do certain things, the details of which are not within his knowledge. Therefore, the House is denied the knowledge also; that is assuming there is in fact any significant change justifying the Bill at all. Then we come to another point.

Mr O'Neil: The last one!

Mr BERTRAM: The Minister said—

> Representations have been received from many quarters requesting a revision of the existing rates of interest now stipulated in the legislation.

I hope all members were listening to this statement made by the Minister. I do not know what members understand of that outburst. We were told that representations were received from many quarters, and I imagine in a State with a population of over one million, this would mean at least hundreds of representations. So we did

the obvious thing, and we asked the Minister who had made the representations. The question we asked was as follows—

(9) (a) From whom have the representations requesting a revision of the existing rates of interest been received;

(b) will the Minister table the representations so received?

Members may be staggered to learn that instead of the tabling of a file about a foot or two thick, the representations are contained in that small file on the table. However, let me read the Minister's reply, although some members on the other side and certainly members on this side of the House could forecast the organisations which made the representations. The reply to the question reads as follows—

(9) (a) Perth Chamber of Commerce (Inc.)

Australian Finance Conference

The Mortgage Brokers Association of WA

Credit Union League of Western Australia

That is a total of four representations all told.

Mr O'Neil: That represents a very wide section of the finance industry, and you know it. Do not mislead the House by saying there are only four representations.

Mr BERTRAM: I imagine that the Perth Chamber of Commerce represents some of the other organisations as well, and if we delete those, we are left with two representations.

Mr Laurance: You are against the credit unions, are you?

Mr BERTRAM: I intended to mention the credit unions, and I am indebted to the honourable member for bringing this up. We have a real sympathy for these co-operative enterprises. If there is no avenue for them to operate efficiently and effectively under the Money Lenders Act—although I think there may be provision, but let us presume there is not—the remedy is to amend the Act to take care of them. It is not good enough just to dob this impost on the whole population of Western Australia. That is an absurd proposition, and we do not go along with it. We do have very real sympathy for the Credit Union League. We will support any amendments which are necessary to assist this league to more effectively attain its objectives. So we will put that one aside. We are then left with three representations. Some people may take the view that the Minister's comment in his second reading speech was misleading in this regard.

Mr O'Neil: Your comments are misleading. The TLC only has to say, "jump", and you turn handsprings.

Mr BERTRAM: That is nonsense. We have already seen members opposite snap to it when Caucus tells them to do something.

Mr O'Neil: To the contrary. Thank you for admitting that the TLC has a caucus.

Mr BERTRAM: In the light of the Government's performance last week, I am not relying on its platform any more.

Mr O'Neil: The House cannot rely on anything you say. What has this to do with the Bill anyway?

Mr BERTRAM: I was replying to the Minister's interjection. It was rather a weak one, and I thought I should score off it. The Minister in another place said—

Mr O'Neil: I do not think you are allowed to refer to what was said in another place.

Mr BERTRAM: I am sorry; I was referring to the Minister representing the Minister for Justice, who described this as a minimal provision. I think this statement gives us a clear indication of what the people of the State can expect. First of all, apparently a rise of 5 per cent is a minimal one. We are also left with the inference that before we are very much older, there will be a further increase. However, any further increases will not come directly before this Parliament. They will be brought in by a relatively secret method—by regulation.

Mr O'Neil: What is secret about regulations? They have to be tabled in both Houses of Parliament, or don't you know that?

Mr BERTRAM: What happens to the people who borrow money at interest rates of 25 or 30 per cent before a regulation is tossed out of Parliament as being unacceptable? This is clearly a matter that should be dealt with in the Bill. We waste the time of the House dealing with many other pettifogging matters far less important than this. There is ample justification for Parliament to decide the fixation of ceiling rates of interest. As I have already pointed out, such a provision would be clearly consistent with the Liberal Party's platform.

Mr Laurance: You have already pointed out that interest rates up to 48 per cent are paid in Victoria.

Mr BERTRAM: We will come to that in a moment. What do we find in the Minister's speech? He says—

> Others are finding it necessary to register, or are abandoning transactions or, rather unfortunately, are carrying them out in other States where the maximum limits and conditions have been amended in line with the current interest rates situation.

So we asked a question or two, as was necessary and proper in that situation,

and what did we discover? I refer firstly to question 9 of the 29th October. Part (11) stated—

> What persons and others are carrying out their transactions in other States for the purpose of earning greater interest rates and what sums of money have thus far been involved?

The answer to that was—

> (11) Answered by 10(b).

Looking back, we see that (10)(b) states—

> Confidential information has been sought and obtained and while by no means exhaustive, advice shows that lending in the personal loan and bridging finance area is being abandoned in Western Australia in favour of utilising funds in the Eastern States.

So, the clear inference is that if interest rates here are increased to about 20 per cent, they will be brought within the range of the rates applicable in other States and this will stop the drift of money from Western Australia to the Eastern States. But what do we find? Part (12) of my question asked—

> Since when in each of the other States and the Capital Territory has there been no restriction on the maximum rate of interest charged by money lenders?

The answer was—

> ACT 1905, NSW 1905, SA 1940.

So, this amendment—this purported justification for the Bill—simply does not hold water. As somebody interjected, Victoria has a maximum rate of 48 per cent. In the light of that comment, and because there is no interest rate ceiling in the other States, how will this amendment stop the drift of money to the Eastern States? It certainly will not.

What has happened is that somebody in the Government—I will give members a fraction of a second to work out who initiated the move—said that the time is right to increase interest rates and went to the Minister for Justice and instructed him to introduce this Bill. There is literally no justification for the Bill.

Mr Laurance: That is the most illogical argument I have ever heard.

Mr Young: I think you had better report progress; you are talking against yourself.

Mr BERTRAM: The member for Scarborough will have his opportunity in a moment. I know members opposite desire to scrap the Act altogether.

Mr O'Neil: No; you said you would do that.

Mr Young: That is your proposition.

The SPEAKER: Order! One interjection at a time, please.

Mr Young: That is what you have been saying for the last five minutes.

Mr BERTRAM: I have just advanced my argument, but I will repeat it now in case members opposite did not understand. Raising the ceiling to 20 per cent will not serve the purpose of stopping the drift of money from Western Australia. The member for Scarborough will have an opportunity to stand and explain in detail his justification for increasing interest rates by 33½ per cent in one hit. Of course, interest rates in the future will be increased by way of regulation. The member for Scarborough should not feel he will not have the opportunity to speak.

Mr J. T. Tonkin: Of course, he will not get up; he prefers to sit there and snipe.

Sir Charles Court: He has to do something to help the speaker.

Mr O'Neil: It would not be a speech without the interjections.

Mr BERTRAM: The Minister went further in his second reading speech and stated—

> Confidential information has been sought and obtained which discloses that money is being raised in this State but as a result of the current restrictions in the Money Lenders Act here is being invested in the Eastern States. It would also be equally acceptable to say that investors in this State are apparently investing in the Eastern States simply because of the advertising restrictions which currently exist in our Act.

I have already indicated that there is no justification for this Bill; it just does not square up to the facts of the situation. I also remind the House that the Premier recently made it clear that he thought our money lending market should not look east or west but should consider the time zones.

Sir Charles Court: That is right.

Mr BERTRAM: On the one hand we have what appears to be a spurious reason for allowing the State to compete with the Eastern States and, on the other hand, we have the Premier advocating that people in the financial world in this State should not be concerning themselves with what happens in the Eastern States.

Sir Charles Court: You are deliberately distorting the situation. I was talking about having a money market here, with a status of its own.

Mr BERTRAM: That is right.

Sir Charles Court: If this Bill does not go through, the chances of having such a market would be nil. You tell us whether you would oppose this Bill if we could demonstrate how that money will not come here because of the present situation.

Mr BERTRAM: I would want to look at the total circumstances before I made a decision; I would decide according to the facts.

Mr O'Neil: But you have not discussed this Bill with anybody; you have admitted that.

Mr BERTRAM: Yes. I notice from time to time that when members opposite are in Government they baulk at having a look at the facts; they just pick out a single circumstance and ask for an opinion on that, devoid of all the other circumstances. I will not rise to that bait.

Mr O'Neil: You have not looked at the facts. You have not referred the Bill to anyone; nor have you made any inquiries. You are just talking from the top of your head.

Mr BERTRAM: It is obvious that the Minister is doing a bit of that himself. I have discussed this Bill with a number of people.

Mr O'Neil: All you have given are answers to questions.

Mr BERTRAM: The Minister will have his opportunity later to show whether the facts I am putting are inaccurate.

Mr O'Neil: I have not heard you put a fact yet; they are all assumptions.

Mr BERTRAM: I am pointing out that that is precisely what the Minister's speech is; it is based entirely on assumption.

Mr O'Neil: Where is the proof?

Mr BERTRAM: I have just given it to the Minister. Let him pick up a copy of *Hansard*, sit down, and read it quietly.

Mr O'Neil: I wish you would sit down, period!

Mr BERTRAM: There is ample support for what I am saying. There is absolutely no justification in the Minister's speech for the introduction of such legislation. If justification exists, the Minister has gone out of his way to make sure it is not spelt out in his speech.

Mr O'Neil: I would hate to have to correct your speech tomorrow.

Mr BERTRAM: The Minister also conveniently pointed out that it is the Government's intention to review the Money Lenders Act. I have no strenuous objection to that proposition, except that I believe the Money Lenders Act should come under the review of the members of this Parliament. It is quite obvious from the interjections we have heard this evening from members opposite that they are not fully aware of the import of the Money Lenders Act, the influence it has upon the economy and its impact upon those who must borrow money to buy goods, houses and things of that sort.

It would be an excellent thing to appoint a Select Committee of this House to consider this Bill; it would be able to come to grips with the total scene in order that whatever legislation were brought before this Parliament would at least be based on some knowledge of the situation and not on ignorance of the total picture.

As I have already pointed out, the only real hope of this Bill being defeated is for the Country Party to come onside with the Australian Labor Party. Unless this happens, it is a foregone conclusion that the Bill will become law and that in some instances interest rates will rise from 15 per cent to 20 per cent; I feel it is thoroughly predictable that shortly thereafter, interest rates will increase to even higher figures.

MR DAVIES (Victoria Park) [8.09 p.m.]: I hasten to preface my remarks by saying that I know very little about money lending or financial matters.

Mr O'Neil: You share the problem of the member for Mt. Hawthorn.

Mr DAVIES: In fact, I have the greatest difficulty in balancing my cheque book. I believe Government supporters were a little unfair to the member for Mt. Hawthorn when he was trying to state his case. If he had been given a fair go, I believe he would have given some very cogent reasons for our opposition to this Bill.

It seems to me that, according to the Minister's second reading speech, the Bill has been introduced because people cannot lend money in Western Australia at attractive rates of interest. It is contended that people in Western Australia who cannot lend money at rates which they believe are attractive lend their money elsewhere; thus, it follows that people in Western Australia cannot borrow money at what members opposite seem to think are attractive rates.

According to what was said in answer to questions asked by the member for Mt. Hawthorn, for a number of years no ceiling on money lending rates has applied in other States. If this was so, we would never have had money available for loan in Western Australia. I can hardly believe that over the past six or eight months, or since the 2nd December, 1972, as the Government so glibly claims, money has not been available or, in fact, lent in Western Australia at rates in excess of 15 per cent. It is quite wrong to suggest that it is the case; yet this is what the Government has led us to believe.

Mr O'Neil: No.

Mr DAVIES: Yes, the Government has; it has told us that it wants to raise interest rates from the present maximum of 15 per cent because that rate is not attractive enough to encourage investors to lend money in Western Australia. I take that to mean that the only money lent in Western Australia over the past 12 months has been at an interest rate no higher than 15 per cent.

Mr Grayden: Finance on farm machinery costs 17 per cent.

Mr O'Neil: I did not say that, nor did I imply it.

Mr DAVIES: That is how I read the Minister's remarks and, in fact, the Minister for Labour and Industry has just

pointed out that farm machinery finance is supplied at 17 per cent. I do not know who has been paying 17 per cent, or whether people have been paying it against the law; the fact is that money is being lent at 17 per cent, on the admission of the Minister for Labour and Industry. Why should we worry about the Money Lenders Act if money is being lent at higher than 15 per cent? It seems as simple as that to me. If the Minister can answer that query, he will have given me a lesson in economics, and one which I am quite certain I will appreciate.

The Minister asked the member for Mt. Hawthorn to tell him whom he had spoken to in relation to this Bill. I am sure the member for Mt. Hawthorn would be prepared to tell the Minister, provided the Minister reveals the "confidential" reports he has received on money lending matters in Western Australia. Members opposite seem to use the word "confidential" to deny Parliament the right to know anything about particular matters. If members opposite want us to grant the Government the right to increase interest rates by regulation, they should put up some kind of case. They should not merely say, "We would like to tell you, but the reports are confidential." The Minister for Labour and Industry has already indicated that money has been lent for farm machinery at 17 per cent, so what is all the mystery about? Why does the Government not let us have the confidential reports, and put up some kind of a case instead of saying, "In 1912 interest rates were 3½ per cent, and therefore it is time we increased them. However, we are not going to tell you what the ceiling will be; we are going to do it by regulation"?

I am on record many times in this House as opposing government by executive action or regulation. In a matter as vital as this I oppose it all the more heartily and sincerely. No case has been put up in justification of the Bill. However, that is not really the matter which I originally wished to discuss, although if the Minister can answer my queries I will be very happy indeed.

What I want to know is this: How will this Bill affect Western Australia? I refer to the report of the Honorary Royal Commission which inquired into hire-purchase agreements. The present Deputy Premier was the chairman of that Honorary Royal Commission, and I think at the time he was the Leader of the Country Party. This report was acted upon by Parliament, when certain amendments were made to the Act. Those amendments were supported by the Country Party.

On that occasion the Liberal Party had no option but to go ahead, with tongue in cheek, to support the amendments, irrespective of whether or not it believed in them. The Liberal Party knew that the Country Party would support the Australian Labor Party, which was the Government of the day.

Chapter 17 on page 47 of that report deals with interest rates, and the following appears—

Under the Hire Purchase Act in Western Australia there is no ceiling placed on interest charges; however, the W.A. Money Lenders Act places a limit of 15% on all money lending transactions.
The State by State position is as follows :—

	Hire Purchase	Money lending
Western Australia	....	15% simple p.a.
South Australia	....	....
Victoria	....	48% simple p.a.
New South Wales	7% flat new vehicles 9% flat used vehicles 10% flat household	....
Australian Capital Territory	....	....
Queensland	20% simple	20% simple
Tasmania	....	10% simple p.a. +2½% simple procuration fee

Mr O'Neil: The limit in Tasmania is now 20 per cent.

Mr DAVIES: I am quoting from the report of the Honorary Royal Commission. It is a good report. I know the Minister gave some figures recently, and the member for Mt. Hawthorn has dealt with them. I am dealing with the implication arising from the raising of the interest rate. The Minister has not said that he will raise it above 15 per cent, but I am sure he is not amending the Act to place certain amendments on the Statute book without some intent.

Mr McPharlin: They were reduced at the time.

Mr DAVIES: I am not arguing about that.

Mr McPharlin: You did say it was a good report.

Mr DAVIES: Yes, I agree with it. I would also point out that, as a result of the report, legislation was passed through this Parliament, and that was a surprise to me. I know that legislation has not been proclaimed as yet. I hope it will be proclaimed shortly with the passing of the amending Bill this year.

One or two minor points have been overlooked. Although the legislation received assent from the Governor, it has not yet been brought into force. A tribunal is to be set up under the Act, and the hire-purchase forms will have to be changed. Certain information has to be inserted on the forms; and some of the forms used by certain companies, such as Boans, will become illegal. Various other changes are to be made for the good of the consumer.

What the report of the Honorary Royal Commission does stress is that the consumer ought to be educated on hire-purchase matters. I could not agree more. If I were to enter into a hire-purchase deal

in all probability I would go to the shopkeeper I liked, and not take into account the interest rate, although this is the main factor. I say that one should shop around to look for the best interest rate.

As far as I can see the only inhibiting factor in respect of hire-purchase deals in Western Australia is the rate set in the Money Lenders Act, although the Minister for Labour and Industry has said that the interest rate on farm machinery is now 17 per cent. I think the charging of that rate of interest is against the law; I hope he is not upholding the breaking of the law in this regard.

The fact remains that the inhibiting factor is the 15 per cent limit. If the regulations do increase the rate—it is London to a brick on that the interest rate will be increased—that will become the new inhibiting factor on hire-purchase deals. Although a tribunal is to be set up, and a customer might complain that he has been sold a crook deal because he has not undertaken the necessary research, we hope that what will come about under this legislation is that the present upper limit in the interest rate on hire-purchase deals will be the upper limit that is to be set by regulation under the Money Lenders Act. How will this affect hire-purchase deals, and the hundreds of thousands of Western Australians who have to buy goods under a hire-purchase system of some kind?

The report of the Honorary Royal Commission goes on to point out that its members could not see any justification for setting a limit on hire-purchase deals, and they felt the rate laid down under the Money Lenders Act would provide the limiting factor.

If the Minister can tell me how the raising of the interest rate under the Money Lenders Act will affect hire-purchase transactions, and if he can assure me that it will not result in raising the interest that is paid by hundreds of thousands of people who avail themselves of hire purchase, then perhaps my opposition to the Money Lenders Act Amendment Bill will not be as serious as it is.

At the present time I cannot see any justification for guaranteeing people, who have avenues of lending money in other States, the same avenues in Western Australia just to keep their money here. There are many people in the State who are paying more than 15 per cent in interest, and apparently the lenders are breaking the law. I would like an answer to these questions, because I am most concerned the Bill will bring about an increase in the hire-purchase interest rate.

MR J. T. TONKIN (Melville—Leader of the Opposition) [8.22 p.m.]: When the Money Lenders Act was first enacted it was for the purpose of protecting borrowers. The Government now proposes to change the character of that Act in the interests of the lenders. I think in the first instance we should seriously consider that.

It is because the money lenders are in difficulty, and they are finding it not as easy to make the profits they were able to make previously, that they have approached the Government. The Government, being composed as it is, willingly listened to them and decided to take action to improve the atmosphere for the lenders, without regard for the borrowers at all. In those circumstances is it any wonder that we on this side of the House are opposed to the legislation? I do not think the Government has given any consideration at all to the effect this legislation will have, apart from helping the lenders.

Firstly, the legislation will greatly increase the competition for money. In the existing tight liquidity situation—it is a situation which has developed in various countries of the world—the State Government keeps on blaming the Australian Government for having brought it about. What the Australian Government has done has also been done by Governments all over the world in an effort to combat inflation.

As a matter of fact it is the only solution put forward by the experts to deal with an inflationary situation; that is, to take the heat out of the economy by reducing the volume of money. If one goes to the university and asks the economists how one should deal with an inflationary situation, one would be told to reduce the volume of money that is available, and so reduce the economic activity. This is done by bringing about a situation of tight liquidity.

That does not stop people who make their profits by the lending of money from trying to borrow money; because it is a well-known fact that very few people are in the position of lending their own money in any great quantity. The big lenders are the big borrowers.

Why do the building societies want to increase their interest rates? The answer is that initially they themselves want to borrow money, so they offer a rate high enough to encourage people to lend money to them. Having been able to borrow money, they in turn lend the money out to other people at a higher rate.

What does a money lender do? He does not lend his own money. What he wants to do is to borrow money, and have a share in the quantity of money that is available. That is the trouble with the money lenders in Western Australia; they find that because of the upper limit to the interest they can charge borrowers they are not in a position to offer the lenders more. What they propose to do straightaway, if the Government is able to get this Bill

through Parliament, is to go into competition with the building societies, the finance companies, and the banks to borrow more money.

Mr O'Neil: What happens to the borrower if the money lender has no money to lend out?

Mr J. T. TONKIN: The borrower cannot borrow the money. It is the purpose of the initial exercise to cut down the borrowing. Surely the Minister should know that.

Mr O'Neil: A member on the other side of the House has been talking percentages, and he has pointed out for the first time that there are three units in this monetary system—the lender, the agent, and the borrower. No-one has yet said that.

Mr J. T. TONKIN: I shall deal with the lenders from the bottom upwards. Firstly, there are the banks with their far greater stability. They can attract money in the knowledge that people, who are apprehensive about losing their money, are prepared to take a lower rate of interest from the banks. That is where the people put some of their money.

Above the banks we find the building societies which have a separate type of appeal. For them to obtain money they have to offer more than the banks offer. They do this, and so they attract money from the lenders. In turn, they lend the money out at a higher rate of interest.

The finance companies—in a number of instances this is another name for the banks, because some of them are wholly-owned subsidiaries of banks—want to attract money that normally flows to the building societies; so, they put their borrowing rate above that of the building societies.

Then there are the money lenders who want to come into competition with the finance companies. Under the existing limit they cannot compete successfully to get the quantity of money they require, so they want to be in a position to be able to offer more to the lenders. The present Act will not permit them to do that; their rate is too close to what the finance companies are offering.

Immediately the Government puts through the regulations to lift the limit, the money lenders will go into competition with the other parties which accept money on deposit and have money to lend to borrowers. They will be able to say to the lenders, "Deposit your money with us. We can give you 15, 16, or 17 per cent, because we are now allowed to lend money out at 20 per cent." What good will that do to the present inflationary situation which we are trying to combat? It will only add fuel to the fire.

Mr Young: Going back to the first link, the banks, who brought about the first increases?

Mr J. T. TONKIN: I shall not contribute to the attitude the honourable member has adopted; that is, to sit in his seat and ask questions without getting up and expressing an opinion.

Mr Young: So, you will not answer?

Mr J. T. TONKIN: I will not.

Mr Young: That is fair enough; that is typical. We all know who started it—the Commonwealth Government.

Mr A. R. Tonkin: That is nonsense. The member opposite does not understand economics.

Mr Blaikie: Obviously the member for Morley does not.

The SPEAKER: Order!

Mr J. T. TONKIN: As has already been pointed out, no limit exists in New South Wales. There is no limit in Queensland, South Australia, or the Australian Capital Territory.

Mr Hartrey: The rate is 48 per cent in Victoria.

Mr J. T. TONKIN: Yes, the rate is 48 per cent in Victoria. Now, how will this Bill assist the money lenders in Western Australia to improve their business if they have money to lend already? The setting of a higher rate for lending in Western Australia is expressly for the purpose of allowing money lenders to cut in on the limited amount of money available for borrowing, and to allow the money lenders to borrow money now being lent to somebody else so that they can, in turn, lend it at a higher rate.

Mr O'Neil: The Leader of the Opposition will admit that Western Australian investors are investing in the Eastern States.

Mr J. T. TONKIN: No, I will not admit that at all. I am not saying that at all. I am saying at present the money is going into savings banks, finance companies, and the building societies in this State.

Mr O'Neil: But the banks, the finance companies, and the building societies are offering a lower rate of interest than are the money lenders.

Mr J. T. TONKIN: Ah, but the money lenders who want to make their profits cannot successfully get into that money market now and make the profit they want to make because they are limited in what they can charge when they borrow money. As soon as the ceiling is lifted for them they will be in a position to attract some of this money which is going to the building societies, the finance companies, and the banks. This Bill will not increase by $1 the amount of money available in Western Australia for investment. It will simply increase the competition for that money and have a tendency to force up the rates which others are offering for money.

The trend for interest rates, at the present time, is not upwards; it is downwards. Why should we add fuel to the fire by

creating a situation which increases competition for the limited amount of money available. In an issue of *The Sunday Times* of October, this year—I think it was the 20th—an article appeared under the heading, "Bank rate is cut". The report comes from AAP-Reuter, Frankfurt and reads—

> With unemployment rising, except in industrial sectors producing mainly for export, the Central Bank in Frankfurt eased its tight money policy by cutting the bank rate from 7 to 6.5 per cent.

There was a tight money policy in Germany for the same reason that there is one in Australia.

The next report I will quote is from Amsterdam and reads—

> Holland has cut its bank rate from 8 to 7 per cent.

I now come to Australia, and refer to an article which appeared in *The Australian* of the 2nd October. It is headed, "Reserve still buying bills", and reads—

> The Reserve Bank continued to buy up heavily in the bank-accepted bill market yesterday.
>
> Although difficult to quantify, the extent of Reserve Bank continues to have a stabilising effect on the market and notes have dropped accordingly.
>
> Rates on 130-day paper have eased to 12.35 per cent, while 90-day paper is now commanding just under 12 per cent—the first time this mark has been broken for many months.
>
> One $5 million parcel of bank bills with 60 days to run went through at a low 11.9 per cent.
>
> The extent of the bank bill trading and further calling as a consequence of the Cambridge Credit receivership had a tightening effect on the money market yesterday.
>
> Financiers are showing signs of going higher than the established peak rate of 15 per cent for call money.
>
> Although most are still quoting 14.5 per cent, IAC is offering 16 per cent for overnight money.

Let us now forget all the outside aspects of this Bill. The basic reason for its introduction is that the money lenders cannot borrow in the existing tight liquidity situation so that they can lend and make their profits. The purpose of the Bill is to so lift the rate of interest they get for their money when they want to lend it, that they can then go onto the market and borrow where they cannot borrow now. That borrowing will intensify the competition for the limited amount of money which is now available. If anyone can tell me that is a sound policy for any Government to adopt in the present situation then I do not know what logic is.

That is what we are opposed to. We say it is against the best interests of the State to take any action at all at this stage which will increase competition for the very limited amount of money which is available.

Sir Charles Court: If we accept that proposition, there is one other dimension the Leader of the Opposition has left out; that is, the fact that some people who want to lend—and Western Australia needs to have that lending—are not able to do it unless the Act is altered.

Mr J. T. TONKIN: Surely 15 per cent is a high enough interest rate for anyone who has money to lend.

Sir Charles Court: Not in the present situation in Australia.

Mr J. T. TONKIN: I think it is. Any number of companies are offering money on debentures. CSR is one, and Ampol is another. They are offering 12½ per cent for money deposited for two to three years. A rate of 12½ per cent is very high.

Sir Charles Court: About half of the rate of inflation.

Mr J. T. TONKIN: There is, therefore, no need for us to add fuel to the fire by deliberately creating a situation which must result in money lenders offering a higher rate for money than is now offered.

Sir Charles Court: The Leader of the Opposition has overlooked the over-the-border transactions which are to our detriment.

Mr J. T. TONKIN: Why? Are these transactions taking place now?

Mr O'Neil: They are.

Sir Charles Court: That is the tragedy of the situation.

Mr J. T. TONKIN: If a rate of 48 per cent is being offered in Victoria—

Sir Charles Court: They do not get it.

Mr McPharlin: It is an upper limit for extraordinary transactions.

Mr J. T. TONKIN: We have been told that this 20 per cent is to be an upper limit. So both amounts will be upper limits. There is not much argument in that.

Mr Young: The Leader of the Opposition does not think that anyone is offering 48 per cent?

Mr O'Neil: There is no upper limit.

Mr J. T. TONKIN: That does not affect the argument raised by the Government.

Sir Charles Court: There is such a thing as the market.

Mr O'Neil: There is a market.

Mr J. T. TONKIN: The Minister for Works is seriously putting forward the argument that if we raise the limit from 15 per cent to 20 per cent in this State we will be able to keep here money which, if offered in the other States, can be lent at any rate of interest at all.

Mr O'Neil: As long as the regulations set the figure.

Mr Young: They can afford 12½ per cent in Victoria. That is where the money is going. They do not pay 48 per cent in that State. The Leader of the Opposition will next assume that they pay 1 000 per cent in Canberra.

Mr J. T. TONKIN: Well, what are they getting in Victoria?

Mr Young: About 17 per cent.

Sir Charles Court: The official price, in the field of Commonwealth control, got as high as 24.6 per cent.

Mr J. T. TONKIN: The Treasurer is defeating his own argument.

Sir Charles Court: No, not at all.

Mr J. T. TONKIN: The Treasurer is saying that a limit of 20 per cent in this State will keep money here which could be attracting 26 per cent in another State.

Mr O'Neil: But that is the maximum; they do not get that. The member for Mt. Hawthorn implied we were setting minimum levels.

Mr J. T. TONKIN: Very successfully, too.

Mr O'Neil: He would not know.

Mr J. T. TONKIN: I will say—and I would take a lot of convincing otherwise—that the maximum is between 15 and 20 per cent but the Government proposes to set a maximum of 20 per cent. Nobody can successfully deny—and I happen to know what the situation is—that the money lenders want the rate raised so that they can borrow money which they cannot now borrow.

Mr O'Neil: So, people want to borrow it.

Mr J. T. TONKIN: It is not in the interests of the borrowers. The Money Lenders Act is for the purpose of protecting borrowers, not for the purpose of making profits.

Mr O'Neil: You would come back to the point where there was no money to borrow. That is what you are assuming. There would not be any money lenders if there were not people who wanted to borrow.

Mr J. T. TONKIN: In my opinion we could do without them.

Mr O'Neil: So no-one could borrow any money?

Mr J. T. TONKIN: Yes, they could borrow it from the banks.

Mr O'Neil: The banks will lend money provided one can prove one does not need it.

Mr J. T. TONKIN: One can go to the building societies.

Mr O'Neil: For housing only.

Mr J. T. TONKIN: And the finance companies.

Mr O'Neil: But if the banks enter this field they have to be registered as money lenders.

Mr J. T. TONKIN: Well, that will not worry them because their present rate is below 14 per cent. How will that worry them if they can lend at up to 15 per cent? They could operate under the provisions of the existing Act as money lenders without any let or hindrance.

Mr O'Neil: If they had any money to lend.

Mr J. T. TONKIN: The finance companies say they have no money to lend?

Mr O'Neil: I said, "If they had any money to lend."

Mr J. T. TONKIN: That is an entirely new situation to me; the finance companies have no money to lend!

Mr O'Neil: I did not say that.

Mr J. T. TONKIN: What did the Minister say?

Mr O'Neil: You said they could operate as money lenders if they went above the interest rates. I then said, "If they had any money to lend."

Mr J. T. TONKIN: Well, have they not?

Sir Charles Court: Good heavens!

Mr J. T. TONKIN: If they had any money to lend!

Mr O'Neil: You made the statement that it would not matter if no money was available to borrow if it was at an interest rate you thought unsuitable. People are in the business of lending money to organisations and to people. To do that they have to borrow it. The Leader of the Opposition started off wisely in setting out the three facets in the money lending operation. But now he is off the ball.

The SPEAKER: Order! The Leader of the Opposition.

Mr J. T. TONKIN: Of course, my argument does not suit the Minister. I have yet to learn that the finance companies are in any difficulties about having money to lend.

Sir Charles Court: Difficulty! The Commonwealth Government is worried stiff at present that some will collapse.

Mr J. T. TONKIN: They are on the top tier and they can offer a rate of interest which causes serious competition to the building societies. That is the reason the building societies increased their rates—the competition from the finance companies. It is occurring all the time.

I am worried because immediately we take the proposed action we will increase the competition amongst the banks, the building societies, the finance companies, and the money lenders.

Mr Young: That is not true.

Mr J. T. TONKIN: Yes, it is true.

Mr Young: Since the day this Bill was introduced there has been an attempt from the other side of the House to try to panic people who have borrowed money from building societies to think that the provisions of this Bill will increase the existing rates on their loans.

The SPEAKER: Order! The Leader of the Opposition.

Mr J. T. TONKIN: I think the day should soon come, Mr Speaker, when you should insist that the member for Scarborough makes his speeches while on his feet, instead of sitting down.

Mr Sodeman: That means the Leader of the Opposition will stop interjecting, too?

Mr J. T. TONKIN: If the member for Scarborough has anything worth while to say he should be man enough to stand up.

The SPEAKER: I think we would all be happy if there were no interjections, but I do not want to cut them out altogether. The Leader of the Opposition.

Mr J. T. TONKIN: The legislation which was originally enacted in 1912 was designed in the interests of borrowers and contained a provision to protect borrowers against themselves, which is still in the Act. Not only was it an offence for a lender to lend money above the maximum rate, but it was also an offence for a borrower to offer to borrow money above the maximum rate. That provision was not for the protection of lenders but for the protection of borrowers against themselves, because borrowers, in desperation, will pay any rate of interest that is asked of them, forgetting about the impossibility of meeting their obligations subsequently. So to prevent borrowers from getting into that situation the Legislature, in the interests of borrowers themselves, made it an offence for a borrower to offer to borrow at a rate higher than that stipulated in the Act.

The Government wants to remove that protection. It does not want to protect the borrowers in that way. It wants to leave the legislation completely open so that the borrower can go along and offer to pay up to the maximum interest rate of 20 per cent. The Government endeavours to establish that although it will make the maximum rate 20 per cent it does not follow that that is the rate at which lenders will be lending. Imagine a borrower in a desperate situation who goes to a money lender and, knowing full well it is no longer an offence for him to offer to pay interest above the rate stipulated, says to the lender, "I am prepared to pay you 20 per cent for the money."

Mr O'Neil: Would the money lender give him money without being reasonably certain it would be repaid? Of course not.

Mr J. T. TONKIN: The Minister asked the question and answered it himself.

Mr O'Neil: That is the answer. You say a borrower would offer to pay anything for money.

Mr J. T. TONKIN: What the money lender will do—and it is what all money lenders do—is weigh up the risk involved and the return likely to be obtained, and the greater the risk the greater the return he wants.

Mr O'Neil: If there will be no return he will not take the risk.

Mr J. T. TONKIN: There is always a risk between a lender and a borrower, and the risk may vary from time to time according to circumstances. Many a man has become insolvent because of altered circumstances when, prior to the altered circumstances, he was completely solvent and there was not the slightest indication he would ever be otherwise. Circumstances can change overnight. A person with whom one has been doing business might be killed in an accident without leaving a will, and although somebody who was dependent upon him would in due course pay his debt, the time lag in between might be such as to bring about one's insolvency. So we can never be sure what the situation will be. Money lenders invariably try to weigh up the amount of return which can be obtained and the risk involved, and they lend accordingly.

I come back to this point: the Minister has already indicated that the Act needs to be brought up to date because it is considerably out of date. Why proceed with this proposal, which is only in the interests of money lenders, when the Act is designed to help borrowers? Why not put it off and make a thorough review of the Money Lenders Act, and then come forward with a proposition which has been drafted in accordance with its original intention, which is to protect borrowers?

We do not want legislation to protect lenders; they can protect themselves. The people who must be protected are those who, because of the force of circumstances, are obliged to resort to money lenders. Such people are usually those who are in difficulty; if they are not in difficulty they ordinarily go to banks, finance companies, or building societies. Generally speaking, those who go to money lenders are in desperate circumstances, and the Money Lenders Act is designed to protect them, not to make good hunting for money lenders, which is what this Bill will do. I suggest the Bill be withdrawn. The Government has indicated it proposes to undertake a complete review of the whole field. It should wait until it has had an opportunity to make that review before bringing a Bill forward.

The Minister said representations had been received from many quarters. I want to say I have received representations from many people asking me to do what I can to ensure this legislation is not passed. That is what I am endeavouring to do. I therefore appeal to the Government to give due consideration to the evil effect of this legislation which will result from increased competition in a situation

of tight liquidity. That is important. If we are to make our contribution towards controlling inflation, this is certainly not the way to do it. It is the very opposite of what we should be doing. I oppose the Bill.

MR FLETCHER (Fremantle) [8.52 p.m.]: I rise to say that I, too, do not like the Bill, and nor do some constituents of mine. I will endeavour to give satisfaction to two of my constituents. I will read their brief letter to place it on record, and I will do the same with my reply. The letter comprises two very brief pages, written in almost immature handwriting, so it is obviously from a young married couple. It says—

> We are writing to you to object strongly to the imminent amendments to the Money Lenders Act which we believe will go to 18% and which may, therefore, pressurise Building Societies to raise interest rates further.
>
> We also support any moves for an investigation into the total activities of Permanent Building Societies by Royal Commission, Select Committee, or other method of similar standing.
>
> We also want a complete review of the Building Societies Act to prevent societies from being able to tamper with the contracted interest rate, instalments, or term of our home loan without such being agreed to by us, and to prevent home buyers from again finding themselves in the current situation leading to cases of financial injustice, embarrassment or the threat of foreclosure, through no necessary fault of the mortgagor.
>
> Hope you will be able to help us.
>
> Yours faithfully,
>
> T. Morgan.
>
> C. Morgan.

I have fulfilled my obligation by reading the letter to the House. The Minister in charge of the Bill asked the member for Mt. Hawthorn whether he had received any letters in opposition to the Bill. There is one from a fine young family who are constituents of mine.

I replied to my constituents, somewhat politically, on the 11th October. I tried to take advantage of the opportunity. My reply is as follows—

> Amendments to Money Lenders Act.
>
> Thank you for yours of 8th October, in respect above.
>
> Like yourselves I am concerned at the impact such an Amendment might have on my constituents and others in this State.
>
> The Legislation has been introduced in the Legislative Council and yet to reach the Legislative Assembly of which I am a Member.
>
> As State Parliamentary Members meet each Tuesday to decide matters, including Opposition tactics in respect to Legislation introduced by the Government, I shall make available your letter to our Meeting to make them aware of your concern.
>
> I would, however, point out that the Government has a majority in both the Legislative Assembly and the Legislative Council and as a consequence is in position to inflict on the community, Legislation of their choice, despite Labor's opposition to counter it. The Fuel and Energy Legislation is one example.
>
> However, your letter will receive consideration as undertaken.
>
> Yours sincerely,
>
> Harry A. Fletcher,
> M.L.A. for Fremantle.

I see nothing reprehensible about raising this matter before a thoroughly democratic institution—to wit, the State Parliamentary Labor Party—where I am not ashamed to say a majority decision prevails and nothing other than the will of the majority prevails or is inflicted upon anybody.

Mr Clarko: Even if it is wrong?

Mr FLETCHER: Even if it is wrong; I will concede that. On occasions, even in the party room, I have thought the majority were wrong, but I accept it as a thoroughly democratic institution. Let me repeat—although it is hardly relevant—that it is passed on down the line in our branches, our State executive, and our conferences. I have no doubt that others, like me, have on occasions been quite convinced the majority were mad but they still accepted the decision. Could I be more frank than that? How otherwise can a democracy be run? It is the philosophy to which we subscribe and of which I am not ashamed. However, having delivered that little homily, I will get on with my speech.

The Australian Government had to increase interest rates. I said the other night the members of the Australian Government were brave people to attempt to dampen down the fires of inflation in this manner. The member for "Barko"—

Several members interjected.

The SPEAKER: Order! The member for Fremantle.

Mr FLETCHER: In the confusion of the interjections I said, "the member for Barko"; I meant the member for Karrinyup. In a temporary lapse into honesty he agreed with me that the Federal Government was the victim of an overseas economic situation.

Mr Clarko: No, I did not. I asked a question.

The SPEAKER: Order! I am inclined to think there is repetition of a previous debate.

Mr FLETCHER: I have yet to be convinced that the Western Australian Government has the same motive of attempting to dampen down inflation by the same methods as adopted by the Australian Government; namely, lifting interest rates for the purposes of making finance more difficult to obtain. I know it was an unpopular move which hurt the people we represent.

Mr Clarko: And it hurts every home buyer.

Mr FLETCHER: I cannot think of a more inopportune time, as our leader said, to introduce legislation to increase the price of any commodity, including money. The additional cost is inevitably passed on. That point has been made and I do not want to be accused of repetition. We hear plenty of screams about what the Federal Government is doing in its attempts to control inflation and prices.

Mr Clarko: How does it control inflation if it increases the interest rates of home buyers?

Mr FLETCHER: But I do not hear any comparable screams from members on that side in respect of what the Western Australian Government is doing to make loans more expensive. To me this action, even if it is not deliberate, rather smacks of double standards. As I said, on the one hand we hear criticism of the Federal Government in respect of the cost of money, and yet on the other hand the State Government is increasing the price of that commodity. The State Government might argue that money lenders will not attract money to lend in this State if money can attract higher interest rates in other areas—for example, in the Eastern States. My concern is that just when the Australian Government is lowering marginally the cost of money—and my leader made the point that it is a world trend which started in Germany—the State Government is taking action to increase it. I will concede the Australian Government is starting to reduce the price of money only marginally.

However, I think in so doing it is taking a risky action because to the extent that it reduces the price of money, so money will become more attractive and easier to obtain and inflation could start to flare up marginally again. I think anybody with even an elementary knowledge of finance would concede I have a point there. Quite frankly, this is sufficient to frighten me.

I have no doubt that, as has been pointed out by my leader either by statement or by implication, the short-term money market undoubtedly has something to do with increasing interest rates. However, if money lenders borrow money on a short-term basis at high interest rates—and in many markets it is up to 20 per cent—then what concerns me is that the community—and more importantly those I represent—could conceivably be victims of an increase in the price of money.

I say to the House: Be assured that this increase will inevitably be passed on, as I pointed out earlier. I do not like what the Government is doing to this State, and that is why I am on my feet: to make that fact known.

My comments of some years ago in respect of Wesfarmers Co-operative in Wellington Street offering my son a loan at the rate of 17 per cent are recorded in *Hansard*. At the time I drew the attention of the House to that situation I considered that the rate of 17 per cent was usury. I still think it is. I wonder if the Minister knows whether Wesfarmers and others are not now satisfied with 17 per cent, if they are the ones the Minister alluded to when he said he was pressurised to put up the interest rate.

Mr O'Neil: I did not say I was pressurised to increase the rate.

Mr FLETCHER: I made the point some years ago that my son wished to build a small house at Jurien Bay. He wanted to buy a prefabricated building, and he approached Wesfarmers in Wellington Street. I accompanied him, not because I doubted he was old enough to look after himself, but to see fair play. He was offered money at 17 per cent. I was in the favourable position of being able to tell Wesfarmers that I knew where he could receive a loan at 6 per cent; and, fortunately, that is what he got. However, it is to my personal knowledge that some four or five years ago the rate of 17 per cent was being asked for. That bears out what the Minister for Labour and Industry said; it substantiates his interjection that money is available to farmers at 17 per cent. If farmers are at present paying Wesfarmers 17 per cent, what will they pay after the passage of this Bill? I think that is a valid question. If this Bill does not frighten the farmers, it certainly frightens me.

The Government is aware that the member for Mt. Hawthorn was right when he accused the previous Federal Government of condoning the sabotage of the money market. I have also pointed out to this House previously—and my comment was very pertinent—how customers can go to, for example, the ES & A Bank, and ask at the front counter for accommodation for a loan. They are told, "We are sorry we cannot lend you money at that rate of interest, but if you go down the passage you will see a sign saying 'Esanda' and in there you will be accommodated." They would be accommodated all right—at anything from two to even three times the interest rate they could expect at the front counter of the bank. Members opposite know what I am talking about; they have all had experience of it.

This is what concerns me, and the member for Scarborough is as well aware of the position as I am. Although he would not admit it in this Chamber, I have no doubt he would admit it outside. Yet he interjected in the way he did. He knows the situation, the Premier knows it, and so do many other members on the other side of the House.

Mr Young: You are talking about a different bunch of people in an altogether different situation.

Mr FLETCHER: Members opposite know that as a consequence of the fringe banking system there was an open go simply because loans could not be arranged over the front counters of banks, and people had to go to the back doors of the banks. Interest rates on loans soared, and so did inflation because the cost of money increased.

The SPEAKER: Are you relating this to the Bill?

Mr FLETCHER: Yes, Sir, it has some relevance to the Bill in this respect: I believe interest rates are already sufficiently high without being increased by this Bill. I hope that satisfies you, Mr Speaker, because you are the last person in this Chamber with whom I wish to fall out. I am pointing out the Australian Government inherited the problem of inflation in the manner I have outlined.

I say that this Bill—I must make occasional reference to it—will contribute further to inflation. Now that the Australian Government is doing something to counter the situation it inherited, and is being vilified for it, we are presented with a Bill which will contribute to an upturn in interest rates in Western Australia.

Mr Young: On the one hand when the Commonwealth Government puts up interest rates it is doing a good job; and on the other hand when the State Government gives people the opportunity to increase interest rates it is doing a terrible job. Is that the way it works in your philosophy?

Mr FLETCHER: I do not like to see any Government increase interest rates. I made the point earlier, as did the Leader of the Opposition, that there is at present a downward trend, and I deplore this measure having an effect to the contrary.

As the Leader of the Opposition pointed out, this Bill should have been held until the money market is stabilised. I admit I am not as well informed as the member for Scarborough and others who have accountancy qualifications, and so on; but I am sufficiently astute to read the financial pages of *The West Australian*, *The Australian Financial Review*, and other newspapers and to watch the Australian and the world economic situations. So although I have no high qualifications I believe one needs only a practical knowledge of the subject. I do believe the bubble has been pricked and that the interest rate trend is static, if not falling.

If the Government wishes to climb on the escalator with this Bill it can excuse us on this side of the House from joining with it. I ask the Government to consider the matter from that point of view. Our concern is not for the money lender, but for the borrower. This Bill will contribute to pricing money beyond the reach of those whom we and the member for Mt. Marshall represent. The sky is the limit in the Eastern States, but that is no reason to make the sky the limit in Western Australia.

The Bill concerns me and at least two of my constituents. As a consequence, I have no doubt it concerns many other people in the State. Therefore, I oppose it.

Point of Order

Mr CLARKO: Mr Speaker, I rise to seek your advice. A moment ago the member for Fremantle made a statement to the effect that I said Australian inflation is due to overseas costs. I did not say that.

The SPEAKER: Order! You cannot relate to something the member for Fremantle said some time ago. Had you a point of order to raise, you should have raised it at the time.

Debate Resumed

MR B. T. BURKE (Balga) [9.11 p.m.]: I rise briefly to make one or two points. I start off by saying that to my mind this measure is a continuation of the Court Government's deliberate attempts to sabotage the national economic policy of the Australian Government.

Mr Sodeman: How could one do that?

Mr Rushton: They have wrecked the economy.

Mr B. T. BURKE: We will come to the yowls and meows of members on the other side of the House shortly. Firstly, I would like to make one or two serious points. Regardless of whether the Australian Government is right or wrong in the economic policies which it is presently pursuing—

Mr Rushton: It is totally wrong.

Mr B. T. BURKE: —I do not believe there can be any argument about whose responsibility the formulation of a national economic policy rightly is. If members on the other side of the House wish to argue that State Governments should have within their domain the responsibility and the right to formulate national economic policies, then we on this side would disagree with them. Having accepted that fact, it becomes quite impertinent to talk about sabotaging a policy, whether that policy is right or wrong. The responsibility and the right belong to the Australian Government, and it ill behoves any State Government deliberately to sabotage that policy.

I believe this Bill is symptomatic of the sabotage in which the Court Government has been engaged in the short period it has been in office, and in which it will engage in the short period it will remain in office.

As I said earlier, regardless of whether one concedes that the policy of the Australian Government is right or wrong, one would not deny that Government the right to make that policy. At a time when the Australian Government has said that inflation shall be dampened down, rightly or wrongly—because it is a demand-pull type of inflation—the State Government has said the number of people competing for money shall be increased and that the interest rates borrowers must pay will rise because of that increased competition.

It is an inescapable fact that no more money will be created by the passage of this measure. The only thing which will be created is an effective increase in the number of people in the marketplace competing for the use of money, and to deny that the increased number and the competition which results therefrom will increase the rate of interest is to deny one of the basic principles and fundamentals which members on the other side of the House are so fond of espousing so loudly.

Let me make my position perfectly clear. If I had my way there would be no contradiction in the policies followed by the Australian Government on the one hand and by private money lenders on the other hand; because private money lenders would not exist and nor would the banks; they would be nationalised.

Mr O'Neil: Isn't a bank a money lender?

Mr Sodeman: That is when the member for Balga is president.

Mr B. T. BURKE: As far as I am concerned all the ills we are experiencing now, and which are of the type that have provoked this sort of barbarous and enormous measure, are the ills of the capitalist system.

I think the final rattle of the snake is being experienced across this nation when this Government resorts to a rather insignificant area of the lending and borrowing sector in which to try to revive the capitalist myth in the final analysis, because I remind the House that the Financial Corporations Act will fairly shortly put an end to the flagrant and irresponsible actions in which many of these lending institutions in the private sector have previously engaged.

Mr Rushton: Why don't you talk of something about which you know?

Mr B. T. BURKE: I have heard it said, Mr Speaker, that were the Minister for Local Government—

Mr Sodeman: Are you going to be nasty again?

Mr B. T. BURKE: The Minister for Local Government has said that I should talk about something of which I have some knowledge, but if he were to do the same he would be struck mute.

I would now like to comment on one or two points raised by interjection. Firstly, there was the interjection from the Minister for Works who said that the fact that money lenders would not advance money for home building without a reasonable return has provided a brake on irresponsible lending. I am sure the Minister had his tongue in his cheek when he said that, because he knows as well as I do that if the borrower fails to make repayments in the orthodox manner no money lender will hesitate to sell up the family assets of the borrower in an attempt to ensure the return of his principal. I do not argue about his doing that. It is cruel and inhuman, but it will be done and it is a lender's right to do so on the failure of a borrower to meet his commitments. If that is the sort of practice and responsible check the Minister for Works envisages as being necessary in order to retain the sensitivity of the operations it is not the sort of check I want to see put into operation.

There is no doubt that lateral pressures that will be applied to every lending organisation as a result of this move by the Court Government, will result in an escalation of building society interest rates. As far as its building societies' activities are concerned, Western Australia is particularly well developed and it has been somewhat blessed with an active number of building societies that have played a valuable part in home ownership in this State. Because it is so well developed, and because its presence in the market is so vivid, an Act which might normally have no effect on the interest rates that such organisations charge, will have quite a marked effect.

As I said a moment ago, the lateral effect this measure will have by propelling other borrowers into soaking up funds, will undoubtedly put pressure on the building societies, causing them to increase interest rates. I have personally received a number of letters in response to such action, because, on the one hand, whilst this Government is most eager to minimise the possibility of such actions increasing interest rates to home owners, the home owners themselves are acutely aware of the dangers they face. From the wording of the letters I have received, it seems to me that at least one home buyers' group has realised the dangers that are present, and it has asked its members to contact their local member of Parliament and express opposition to this Bill.

But let us look to the reasons this Government would, firstly, wish to disclaim any responsibility for increasing interest rates to home owners. It is a vicious circle. When the dog bites his own tail he finds out it is not someone's foot he is biting, but himself. Whilst this Government blames the Australian Government, it now

finds it is fitting to pander to vested interests which are placing it in the position of biting its own tail, and the criticism that will come down on its head will be similar to the type this Government has been heaping on the head of the Australian Government. I say that because any increase in building society interest rates as a result of this measure will be the Government's direct responsibility and it will not be possible to deny it, although it may well be able to convince itself that the satisfaction of the approaches the Minister had—to wit, four letters—will somehow compensate the aggrieved people in the electorate.

So, recapping, it is well to say, firstly, that this measure is a continuation of a definite and deliberate attempt to sabotage the Australian Government. Secondly, it cannot but increase inflation, because while it does not create any additional money to satisfy the demand for funds, it does increase the number of borrowers who will vie with one another to use the limited funds that are available. The lateral pressures that will be passed from one institution to another cannot help but force those institutions that are now in the market and are now borrowing and lending, to increase their interest rates in the light of a depleted supply of money.

Further, the most important point, and perhaps the whole key to the debate we are now witnessing, was the point that was so ably and lucidly put by the Leader of the Opposition. That point was that this Government has the temerity to say that this measure is a prelude to a major overhaul of the Act. The Government is willing to take upon itself such a far-reaching and important action as this and, at the same time, admit that the whole Act needs review.

All that we on this side of the House say is: do not proceed with this piecemeal measure now. As the Government has admitted it is piecemeal, it should stop and reconsider its position, and pay due tolerance to the situation it has outlined; namely, the need for a complete overhaul of the Act. When that is done and such a measure is presented to the Parliament, provided it is reasonable, I have no doubt the Opposition will support it.

Finally, before I resume my seat, let me refer to the Country Party. It is a very surprising thing that the Country Party, which cries so often about the inability of the man on the land to pass on his costs—and that is very true—is taking such a weak and evasive stance on this Bill, because if there is one measure in which I thought it would be interested it is this measure which directly affects the financial situation and the borrowing position of the people they would place in a special class so far as that party's representation is concerned. Yet we have heard nothing from members of the Country Party. We have not even heard them stand up and tell us who this measure will aid if it is not to aid the farmers, because the Country Party cannot deny that the Bill will have a disastrous effect on the farmer. Apparently the Country Party's way of avoiding any responsibility is to keep quiet and not draw attention to its position. Thank you, Mr Speaker.

MR O'NEIL (East Melville—Minister for Works) [9.23 p.m.]: I would have liked to reply at some length to the remarks made by the member for Mt. Hawthorn when he was discussing this Bill, but I am afraid that perhaps most of what I have to say was said by way of interjection, and other than entering into a diatribe on political philosophy and querying the actions of our colleagues in coalition—the members of the Country Party—together with a few odds and ends, most of the honourable member's speech was related to facts which were given to him by way of answers to questions.

I think he showed what I admit I have—a complete lack of knowledge of the situation. I am the first to admit that I am no expert in the field of higher economics. I am a practical person, I think, but at least in the important matter of consumer credit—a matter which has been of great concern in this nation for some time—I did accept an invitation from the Australian Finance Conference in co-operation with the Monash University to attend a seminar, held not so very long ago. The Leader of the Country Party—the Deputy Premier—was also present at that conference at the invitation of the Australian Finance Conference and the Monash University, because he was the Chairman of the Honorary Royal Commission which inquired into the Hire-Purchase Act, and some of the aspects and the considerations of that commission were brought before the seminar.

I have to say I was extremely disappointed the Government of the day—which was a Labor Government—did not see fit to send one of its Ministers to attend that seminar.

Mr T. D. Evans: You must admit that more than one representative of the Crown Law Department was present.

Mr O'NEIL: Yes, I admit that, and also, I think, the Commissioner for Consumer Protection was present—

Mr T. D. Evans: That is right.

Mr O'NEIL: —and we were in discussion groups with them.

Mr T. D. Evans: We sent people with expertise to that seminar.

Mr O'NEIL: It seemed to be passing strange that the policy makers of the Government were not present at that conference. There may have been a good reason for that and I make the point that we on

this side of the House—both Liberal Party and Country Party members—certainly took the opportunity to bring ourselves up to date as far as we were able.

Mr T. D. Evans: I think the Government had something to do with the presence of the Deputy Premier.

Mr O'NEIL: That may be so, but it had nothing to do with my visit there and does not get away from the fact that at this particular meeting we discussed what was known as the Mollomby report. I think it is still known as that, and in considering all aspects of consumer credit, the Money Lenders Act, the Used Car Dealers Act, and anything related to consumer credit were put under the microscope by a greatly diverse representation of those in the financial world and those in the consumer credit world.

Mr McPharlin: There were 300 present.

Mr O'NEIL: That is the only claim I have to expertise in the matter of consumer credit, but let me say it was certainly at a practical level and the questions discussed were not the high-falutin matters expressed by members of the Opposition in this Chamber. I want to say that the only person really worth answering is the Leader of the Opposition because he was the only member in the debate who was prepared to accept that there are three well-known parties in the financial area we are discussing. There is the lender of money; the borrower of money; and somebody in between who happens to be an agent and, for the purpose of this exercise, he is called a money lender.

It must be borne in mind that this Bill was introduced at a time entirely different from that in which the original Money Lenders Act was brought into being. A money lender in those days had quite a different concept from that of the money lender of today. The same could also be said of a pawnbroker; in fact, I am not sure whether pawnbrokers exist any more, but they may do.

Many years ago there may have been a need to subject these people to fairly tight discipline under legislation. However, today a money lender is a different person from that of yesteryear. In fact, I would like someone to define for me the difference between a building society, a bank, a money lender, and a finance company. They are all engaged in the business of lending money.

Mr J. T. Tonkin: But all governed by different pieces of legislation.

Mr O'NEIL: I am glad the Leader of the Opposition agrees with me. A building society lends money on security completely different from that required by a money lender or by a bank.

Mr Bertram: Not necessarily a money lender.

Mr O'NEIL: All right, but what I am saying is simply that many people in the business of lending money are money lenders. It so happens that this particular group is classified independently and must be placed under control. However, if a bank moves into the field regardless of what it offers to lenders and what it charges to borrowers, does it become a money lender?

Is it subject to registration under this Act? I think the answer is, "Yes". For that reason and because of the general change occurring in our method of dealing with this particular subject, a change is needed, and through me the Minister for Justice advises that the whole of the Money Lenders Act is to be revised. In the meantime we believe one matter should be dealt with; that is, the availability of money to Western Australians.

It is true that if a money lender in the Australian Capital Territory can offer a higher interest rate to an investor, then that investor would be more likely to place his investment in the Australian Capital Territory.

Mr J. T. Tonkin: In practice, because of the difficulties, that is not done at all.

Mr O'NEIL: I do not know that it is not done at all because such organisations as the Australian Finance Conference, which is an organisation representing a great field involved in the business of buying and selling money, have advised that this is a fact.

Mr J. T. Tonkin: Did they give any figures?

Mr O'NEIL: Not to me personally. I understand the Leader of the Opposition may have had discussions with some of the executives of the AFC within the last few days—at the end of last week.

Mr J. T. Tonkin: That is right.

Mr O'NEIL: So did I. Therefore, I am sure they advised him of the necessity for this legislation in the interests of finance business in Western Australia. I am not sure; but if they made suggestions to him they certainly did not convince him.

The basic reason for this Bill is to ensure that finance which is available in Western Australian becomes available to Western Australian borrowers. This is being inhibited by the fact that controls obtain in this State, but do not obtain in other States, and the various degrees of lending have been indicated.

The reason I suggested in my speech—which was along lines similar to those of the speech of the Minister for Justice—that the figure to be proclaimed would be about 20 per cent, can be found in that speech. I indicated that when interest rates which are currently prescribed in the principal Act were inserted in 1941, this was the situation: The long-term bond rate was 3½ per cent—now it is 9 per cent—the bank overdraft rates were 5½ per

cent—they are now 11 per cent—and the general financial organisations were lending at approximately 12 per cent—and now in general terms they are lending at 19 per cent.

If members study that sort of rationalisation they will see there is a warrant for increasing the rate either twofold or threefold; that is, to either 30 per cent or 45 per cent, in round terms. The proposal does not go that far. The member for Mt. Hawthorn wants the facts and the reasons. If we equate bank, overdraft, and bond rates to the existing provisions in the Act and decide simply to update them in accordance with those movements, then we would be justified in increasing the interest rates twofold to 30 per cent or threefold to 45 per cent. I repeat that that is not being done. The provision is that by regulation rates will be prescribed, and as everyone knows, regulations are subject still to the jurisdiction of this Parliament.

Mr Jamieson: That's a joke when you control the numbers in both Houses!

Mr O'NEIL: If members opposite had the support of the people they would have control.

Mr Jamieson: You will always have control.

Mr O'NEIL: I hope we do, and I am glad the Deputy Leader of the Opposition admitted we might have.

Mr Young: Sour grapes!

Mr O'NEIL: The only matter which really concerned me is the tendency of the Opposition to use this legislation to create some disquiet in the community relative to housing loan interest rates. A number of members opposite said this, and they will be responsible for contributing to a problem which created considerable concern a few months ago, but which fortunately at the present time is abating.

The Opposition made reference to the Financial Corporations Act and the Leader of the Opposition knows and has advised me—and I have mentioned it to the House—that that Act contains power to control interest rates being charged by financial corporations, and that building societies fall under the umbrella of that Act. That is our understanding, conjointly. Of course, we still must wait until early next year to ascertain to what extent the powers of the Reserve Bank will be imposed on these people.

However, for members in this Chamber to say that this Bill will result in higher interest rates for housing loans is completely irresponsible. We know there is a problem, and the State Government is endeavouring to contain it to the best of its ability. We can see signs of a tendency on the part of the Commonwealth to abate this difficult situation which it admits it created—and it did. Good luck to it for making the admission. However, for members opposite to use this particular piece of legislation once again to stir up that very serious concern to the point where people are thinking irrationally is totally and completely irresponsible.

Facts have been clearly stated and the reasons for the legislation have also been clearly indicated. No other reason or hidden motive to create chaos and disturbance exists. The facts are clear and unequivocal. Therefore I recommend that the House supports the Bill.

Question put and a division taken with the following result—

Ayes—25

Mr Blaikie	Mr O'Connor
Sir David Brand	Mr Old
Mr Clarko	Mr O'Neil
Sir Charles Court	Mr Ridge
Mr Coyne	Mr Rushton
Mr Crane	Mr Shalders
Mr Grayden	Mr Gibson
Mr Grewar	Mr Sodeman
Mr P. V. Jones	Mr Stephens
Mr Laurance	Mr Thompson
Mr McPharlin	Mr Watt
Mr Mensaros	Mr Young
Mr Nanovich	*(Teller)*

Noes—19

Mr Bateman	Mr Hartrey
Mr Bertram	Mr Jamieson
Mr Bryce	Mr T. H. Jones
Mr B. T. Burke	Mr May
Mr T. J. Burke	Mr Skidmore
Mr Carr	Mr Taylor
Mr Davies	Mr A. R. Tonkin
Mr H. D. Evans	Mr J. T. Tonkin
Mr T. D. Evans	Mr McIver
Mr Fletcher	*(Teller)*

Pairs

Ayes	Noes
Mrs Craig	Mr Harman
Dr Dadour	Mr Moller
Mr Cowan	Mr Barnett

Question thus passed.

Bill read a second time.

Committee Stage

Mr BERTRAM: Mr Speaker—

Mr O'NEIL: Mr Speaker—

The SPEAKER: The Minister for Works.

MR O'NEIL (East Melville—Minister for Works) [9.39 p.m.]: I move—

> That the Speaker leave the Chair and that the House do now resolve itself into a Committee of the Whole for the purpose of considering this Bill.

Points of Order

Mr BERTRAM: Mr Speaker, I was seeking to move a motion to have the Bill referred to a Select Committee.

The SPEAKER: What the member for Mt. Hawthorn seeks to do is a legitimate practice, and, with the concurrence of the House, I will not put the question.

Mr O'NEIL: Far be it from me to endeavour to rise on a point of order on such an important matter. Of course, I

had no knowledge that anyone else intended to rise to his feet prior to my doing so. It is traditional and accepted that the Minister in charge of the Bill moves you, Sir, out of the Chair to enable the Committee stage to proceed. I understood you to give me the call, and I, in fact, moved the motion.

The SPEAKER: When two members rose, I gave the call to the Minister. I had no conception at that juncture that the member for Mt. Hawthorn wanted to move for a Select Committee. Any Speaker would have acted as I acted. The only course open to me at this juncture is to do what I said I was prepared to do. However, I think the member for Mt. Hawthorn was remiss in not informing me of his intention. As a result I am placed in an awkward situation and all I can do now is place the matter before the House.

Sir CHARLES COURT: On a point of order, I understood it was always, if not necessary under Standing Orders, at least the custom to foreshadow the intention to move for the appointment of a Select Committee. With the exception of a very few minutes, I heard the honourable member's speech and most of the other speeches; and, to my knowledge, no reference was made to the appointment of a Select Committee. Therefore, neither the Speaker nor the Government could be expected to assume the honourable member would rise as he did. I ask you, Mr Speaker, whether it is necessary for a member to foreshadow his intention to move for the appointment of a Select Committee.

Speaker's Ruling

The SPEAKER: The only way out of the difficulty which has arisen, as I say, because of my lack of information on the subject, is for me to put the question as to whether the House will grant leave to the member for Mt. Hawthorn to move for the appointment of a Select Committee, which move was not foreshadowed. If the Government does not wish that course to be adopted a dissentient voice will rule it out. Does the House grant leave to the member for Mt. Hawthorn?

Mr O'Neil: No.

Mr J. T. Tonkin: You might have done the decent thing in the circumstances.

Committee Stage Resumed

Mr B. T. BURKE: Mr Speaker—

The SPEAKER: Order!

Mr B. T. BURKE: On a point of order—

The SPEAKER: Order!

Question put and a division called for.

Bells rung and the Committee divided.

Remarks During Division

Mr Jamieson: If you want a rough House, you will get a rough House.

Sir Charles Court: You know the honourable member should have given some indication.

Mr Jamieson: I know he should have.

Mr J. T. Tonkin: He overlooked doing it.

Sir Charles Court: He was only stalling.

The SPEAKER: Order!

Mr J. T. Tonkin: He intended to, and he overlooked doing it, and in the circumstances the Minister would not have lost anything if he had agreed.

Sir Charles Court: He was only stalling when he spoke on the second reading.

Mr J. T. Tonkin: You would not have lost anything.

Sir Charles Court: He would have gone on for hours and hours.

Mr J. T. Tonkin: You have the numbers, and you would not have lost anything.

Mr Jamieson: If the Minister for Works wants a rough House, he will get one.

Result of Division

Division resulted as follows—

Ayes—25

Mr Blaikie	Mr O'Connor
Sir David Brand	Mr Old
Mr Clarko	Mr O'Neil
Sir Charles Court	Mr Ridge
Mr Coyne	Mr Rushton
Mr Crane	Mr Shalders
Mr Grayden	Mr Sibson
Mr Grewar	Mr Sodeman
Mr P. V. Jones	Mr Stephens
Mr Laurance	Mr Thompson
Mr McPharlin	Mr Watt
Mr Mensaros	Mr Young
Mr Nanovich	*(Teller)*

Noes—19

Mr Bateman	Mr Hartrey
Mr Bertram	Mr Jamieson
Mr Bryce	Mr T. H. Jones
Mr B. T. Burke	Mr May
Mr T. J. Burke	Mr Skidmore
Mr Carr	Mr Taylor
Mr Davies	Mr A. R. Tonkin
Mr H. D. Evans	Mr J. T. Tonkin
Mr T. D. Evans	Mr McIver
Mr Fletcher	*(Teller)*

Pairs

Ayes	Noes
Mrs Craig	Mr Harman
Dr Dadour	Mr Moller
Mr Cowan	Mr Barnett

Question thus passed.

In Committee

The Chairman of Committees (Mr Thompson) in the Chair; Mr O'Neil (Minister for Works) in charge of the Bill.

Clauses 1 and 2 put and passed.

Clause 3: Section 3 amended—

Mr J. T. TONKIN: I listened intently to the reply of the Minister for Works and he completely avoided two important questions which were raised during the second reading debate. The member for Victoria Park asked specifically to be informed of the effect this Bill would have on hire-purchase legislation. The Minister completely ignored that question, and it is a very important aspect of the matter.

The other aspect—and I think it is the gravamen of the whole Bill—is that the measure is designed to make it possible for money lenders who are not now in a position to lend money to offer more to people so that they can acquire the money to lend. The Minister is of the opinion, which he expressed to the Chamber, that it will result in the money lenders lending more money.

The situation is that the Bill will not make $1 more available for lending. Money lenders do not now have the money to lend; otherwise they would lend it. I refuse to believe money lenders would keep their money in the bank at the bank rate of interest, or put it into building societies and take the rate of interest they are offering, when under the existing provision they could lend it at 15 per cent. So all the Bill will do is enable them to offer more when they borrow because they can get more when they lend money, and they will borrow for the purpose of lending. That will not increase the amount of money which is available for loan. It will only take it from one source and put it in another. That question must be answered here.

The difficulty with the legislation is that inevitably it will add fuel to the fires of inflation because it will increase the competition for the limited amount of money available for borrowing. Because the money lenders will be enabled by this legislation to obtain more for money they lend, they will be able to offer more in order to obtain the money in the first place. So they will immediately go into competition with other existing borrowers.

I thought in his reply the Minister might have made some reference to mortgage brokers in contrast to straightout money lenders. Some money lenders will lend on promissory notes, and they are not mortgage brokers. Mortgage brokers will lend on security, and the difficulty arises with people trying to lend money in other States, because the information and the security are not available to satisfy them.

The whole point is that the Bill will not make more money available to borrowers in Western Australia. It will simply mean that a certain type of borrower who, because he has not the security, is not now able to borrow from banks, building societies, or finance companies, will borrow from straightout money lenders if the money lenders, in the first instance, can themselves borrow money to put them in a position to lend it. All the Bill does—and this is the purpose of it—is enable money lenders to become more competitive for the amount of money available for borrowing.

Money lenders will become more competitive because when they obtain the money they will be able to get more for it when they lend, and it will be worth their while to borrow the money. If that increases the competition—and I say deliberately it must have that effect—it will do nothing at all to counter inflation. On the contrary, it will simply add fuel to the fire.

How ridiculous it is in those circumstances for us on the one hand to be crying out against inflation and its adverse effects on the economy of the State, and on the other hand to be doing something which will make inflation worse. That is our complaint, and the Minister, deliberately or otherwise, refrained from dealing with that question and the question raised by the member for Victoria Park.

Mr A. R. TONKIN: This is part of the Government's sabotage of the whole money situation. I led a deputation to the Premier, who told the deputation quite candidly that the Financial Corporations Bill would do no good at all in dealing with interest rates. The reason it will do no good is that there is no attempt to cooperate with the Australian Government to ensure that interest rates are kept under control.

For many years we have seen financial corporations growing in size because they were uncontrolled by the Australian Government, which was then a Liberal-Country Party Government. That Government was hypocritical enough to place the banks under control and yet allow this money to escape to an area where there was no control whatsoever. The Financial Corporations Bill has now been passed and it looks as though the Australian Government can control interest rates in that way, but we see this deliberate attempt to sabotage the efforts of the Australian Government.

The member for Scarborough, by interjection tonight, said the Australian Government started it off by raising interest rates. That is quite inaccurate. The Australian Government had to raise interest rates in order to obtain money needed for public purposes—schools and hospitals—and in order to compete with the private sector which was uncontrolled because the Financial Corporations Bill had not been passed. It had to put up the interest rates in order to compete with the private sector. With this rise there will be more competition with the banking system and the corporations which come under the Financial Corporations Act.

It is all very well to say the regulations must be brought to the Parliament, but the Government has control of both Houses and knows it is quite possible to promulgate a regulation when Parliament is in recess so that the heat will have gone out of the matter by the time Parliament reconvenes.

The prescribed amount referred to in clause 3 is a way of ensuring the money market can be manipulated and that the work the Australian Government is doing through the Financial Corporations Act will be undermined. The people of Western

Australia will have the Government of this State to thank for high interest rates through this iniquitous piece of legislation.

Mr O'NEIL: I want to take the opportunity to answer the two queries raised by the Leader of the Opposition, one of which was mentioned by the member for Victoria Park during the second reading debate. The first query was as to the extent to which the legislation affects hire-purchase companies. I think that is answered by reference to section 3 of the parent Act, which is the subject of this amending clause. That section reads—

> 3. The expression "money lender" in this Act shall include every person (whether an individual, a firm, a society, or a corporate body) whose business is that of money lending, or who advertises or announces himself, or holds himself out in any way, as carrying on that business, or who lends money at a rate of interest exceeding twelve and one-half per centum per annum, but does not include . . .
>
> (c) any body corporate, incorporated or empowered by a special Act of Parliament to lend money in accordance with such special Act;

As hire-purchase companies are regulated by the Hire-Purchase Act, I presume they would be covered by paragraph (c).

Mr Bertram: Are hire-purchase transactions money lending transactions?

Mr O'NEIL: If they are not money lending transactions hire-purchase companies are not affected. The question was raised by the member for Victoria Park. The member for Mt. Hawthorn advises me that the Bill has nothing to do with hire-purchase companies.

Mr Bertram: I just asked a question.

Mr Davies: There was a Royal Commission on hire purchase, and it was expressed there.

Mr O'NEIL: At the seminar on consumer credit the interaction of the Hire-Purchase Act and the Money Lenders Act was of concern. At that seminar it was found there were differences in the relationship between these two pieces of legislation in the States and in the Commonwealth. I have answered the query to the best of my ability.

Mr Davies: You cannot say with any assurance?

Mr O'NEIL: I said that as an organisation empowered under some special Act which controls it is exempt from the provisions of this Act, I presume hire-purchase companies would fall into that category. If they do not then I apologise.

Mr Davies: The Royal Commission does not think so.

Mr O'NEIL: If the member for Victoria Park knew the answer, why did he ask the question?

Mr Davies: I am just trying to highlight it because it is another way of foisting things on the public.

Mr O'NEIL: Another matter raised by the Leader of the Opposition was that the passage of this legislation will not make money available. I have not refuted his statement; it is very true. However, it is our contention that the legislation will make more Western Australian money available in Western Australia.

Mr J. T. Tonkin: How?

Mr O'NEIL: We have been advised by people in the business of money lending—the Australian Finance Conference, the credit unions, etc.—that the inhibitions contained in the parent Act mean that investors in Western Australia are lending their money to money lenders in other States where such inhibitions do not exist.

Mr J. T. Tonkin: The passage of this legislation will mean they will withdraw that money and lend it here?

Mr O'NEIL: They will be encouraged to lend it here rather than in other States.

Mr J. T. Tonkin: If you believe that, you are naive.

Mr O'NEIL: If money can be invested in this State on terms and conditions as attractive as, or more attractive than, those existing in other States, does not the argument put forward by the Leader of the Opposition imply that the people of Western Australia will keep their money in this State?

Mr J. T. Tonkin: Yes.

Mr O'NEIL: Certainly a piece of legislation cannot create more money, but my belief, and the Government's belief, is that it will make more money available here.

Mr H. D. EVANS: I am most concerned for one segment of the farming community which will be affected adversely by this legislation. The other evening the member for Vasse moved a motion seeking an inquiry into beef production in the south-west. He referred to the plight of these beef producers, and the fact that they can ill-afford to suffer any impost such as the one implicit in this legislation.

The experience of the Rural Reconstruction Authority has shown that farmers develop a multiplicity of debts. Most farmers are able to obtain an overdraft from their bank; others obtain money through hire-purchase companies, but some must go to less traditional and conservative financing houses. As a rule it is these last-mentioned farmers who are in the deepest trouble at the earliest stage. A well-established and wealthy farmer is usually able to obtain accommodation at his bank. I suppose of the 20 500 farmers in this State, 15 000 or 16 000 are involved in grain growing and sheep. The farmers who are not enjoying the apparent buoyant conditions of these particular industries are the beef producers. The situation is quite as bad

as the member for Vasse pointed out. It certainly belies the report handed to the Minister as a result of the inquiries. These farmers find that the price of their commodity has dropped considerably in the past year and they are now producing at a below-cost figure. They simply cannot get carry-on finance.

Mr O'Neil: What effect will this Bill have if they cannot get the money?

Mr H. D. EVANS: Coming back to the point—

Mr O'Neil: I am glad you did.

Mr H. D. EVANS: These men are unable to obtain money from banks and traditional financing houses. They are forced to turn to other avenues.

Mr O'Neil: Can they get this money from money lenders?

Mr H. D. EVANS: They can obtain the money, but at a higher rate of interest.

Mr O'Neil: Are they getting money now?

Mr H. D. EVANS: Some farmers are obtaining money, but it is impossible to say to what degree, as the Minister well knows. The experience of the Rural Reconstruction Authority shows that almost 100 per cent of those who applied for assistance carried debts of this kind to a greater or lesser degree. The more desperate their situation is, the more readily they will accept money at the higher rates of interest.

Mr O'Neil: Nonsense.

Mr McPharlin: The greatest percentage of these people have not borrowed money from money lenders.

Mr H. D. EVANS: They will be forced to borrow from money lenders for, say, plant and machinery.

Mr McPharlin: They borrow from hire-purchase companies and stock firms, but not from money lenders.

Mr H. D. EVANS: I know of at least two instances where this has occurred.

Mr McPharlin: There would be a few.

Mr H. D. EVANS: It is this section of the community which can least afford to be placed in this position. As the Leader of the Opposition pointed out, there will be greater competition for the funds available because a higher rate of interest can be charged. These people will be forced to accept loans at the higher rate because they cannot obtain money from other sources.

Mr O'Neil: They are getting a higher rate of interest in the Eastern States.

Mr H. D. EVANS: I support the comments made by the member for Mt. Hawthorn.

Clause put and passed.

Clause 4: Section 11A amended—

Mr BERTRAM: We have already made it abundantly clear that we oppose the deletion from the parent Act of the precise rate of interest. It is proposed to provide that a prescribed rate of interest can be fixed from time to time by regulation, and in the first instance, the rate can be fixed at 20 per cent. We object to the steep increase firstly, and we object also to the provision that future increases to the maximum rate of interest will be prescribed by regulation. Such a matter should be dealt with by Parliament.

Mr HARTREY: I would like to support very briefly the remarks of the last speaker. It is fatuous to talk about borrowing money at 15 per cent with the hope of making any financial advantage out of it if one is hard up to start with. In 1938 I attended my first, and one of my very few, bankruptcy meetings of creditors with the official receiver present. In this case a small business was involved and the sum owing was £1 200. The principal creditor was owed over £600 and he made a generous offer to lend the debtor another £600—a total of £1 200. Out of this the debtor was to repay the creditor £600 and pay the other creditors with the remaining £600. The requirement was that the debtor would repay the £1 200 in 12 months plus interest at 12½ per cent. At the end of this time he would be out of all his trouble.

On hearing of this offer the official receiver immediately said, "Whenever I hear of a man borrowing money at 12½ per cent, I get a file ready for him in my office because I know he will be here again in 12 months' time." My experience in the last 38 years bears this out. Any of my clients who borrowed money at 12½ per cent have come a cropper—they must have been in very desperate straits to borrow money at this rate. Whether the interest rate is 20 per cent or higher, it will mean that we will have a whole crop of bankruptcy actions next year. In my opinion the present maximum of 15 per cent is too high and I am entirely against the proposition to delete a maximum figure altogether.

Clause put and passed.

Clause 5: Section 20A repealed—

Mr BERTRAM: We also oppose this clause which is to repeal section 20A of the principal Act. This section has appeared in the Act for many years, and it may be summed up by the marginal note which reads, "Advertising willingness to borrow money prohibited". Paragraph (b) prohibits the invitation to lend money to a person at a rate exceeding a certain percentage. This particular prohibition was regarded very seriously in the past, but now it is to be deleted without ceremony and with no real justification. One can properly make the observation that this is no longer an Act to protect the borrower. Quite obviously we have gone full circle; with the passage of this Bill, the legislation will protect the lender.

The offence referred to in section 20A carried a penalty of no less than $500, and that indicates the serious nature of the offence. On this side we oppose the clause very strenuously.

Mr O'NEIL: I will make a few brief comments on this matter because it was not particularly canvassed during the second reading debate. Members will realise that section 20A is incapable of being enforced. Newspapers from the Eastern States are distributed here quite freely, and *The Australian* carries advertisements of the sort referred to. We cannot take to task people in New South Wales who choose to advertise rates of interest outside the compass of this legislation. The result of section 20A was that money lenders in this State were at a disadvantage compared with their counterparts in the Eastern States.

Clause put and passed.

Clause 6: Section 22 added—

Mr BERTRAM: The purpose of this clause is to add a new section to the Act. I move an amendment—

> Page 2, line 28—Add after the word "Act" the following passage—
>
> But the maximum rate shall in no case exceed 20 per centum per annum and the provisions of the Money Lenders Act Amendment Act, 1974 shall continue to apply until the 31st day of December, 1975 and no longer.

On previous occasions we have discussed measures which will affect the Money Lenders Act, and it was intimated that the parent Act would be the subject of examination and redrafting.

That has never come to pass. However, it is now mooted once again that, for various reasons, the time is ripe for the Act to be rewritten and reformed. In that case, the purpose of my amendment is completely consistent with the proposal to amend the Act. The intention of my amendment is purely to take up the Government on its indicated intention to revise and reform the Act; my amendment will allow the Government time to carry out research and study. It will give the Government until the 31st December, 1975, to prepare its new measure and bring it before the House. I believe the amendment will cause the Government no inconvenience whatsoever.

Mr O'NEIL: This Bill was introduced in this House on the 22nd October, yet the member for Mt. Hawthorn has not placed his amendment on the notice paper. The Leader of the Opposition indicated earlier that the member for Mt. Hawthorn intended to take certain action; he caused us some little trouble. I certainly have had no prior indication of the amendment. As I say, this Bill was introduced on the 22nd October, after having seen the light of day in another place.

As I understand it, the purpose of the amendment is to ensure that the maximum rate of interest will not rise above 20 per cent between the time the Act is proclaimed and the 31st December, 1975. The Bill itself does not come into operation until it is proclaimed, in which event I wonder whether the honourable member's amendment is in order. It is quite clear that the honourable member is desirous of impressing upon the committee the point of view he expressed in the House. We have already agreed to delete section 11A of the principal Act, which relates to the interest rate control provisions. The Committee is now being asked to agree to amend clause 6 of the Bill, which inserts a similar regulating facility. I cannot see why the inhibitions proposed by the honourable member's amendment should be agreed to, and I oppose it.

Mr BERTRAM: Clause 6 is necessary because of earlier amendments which delete the reference to 12½ per cent and 15 per cent in various parts of the parent Act. The Minister himself has indicated that it is the Government's intention to review the Act. The Government has intimated that for the time being, no further increases—that is, above the maximum of 20 per cent—in interest rates are contemplated before the 31st December, 1975. So in fact, the Government will not be frustrated by this amendment. If some unexpected circumstances arise which preclude the Government from carrying out its review of the Act before the 31st December, 1975, it would be a simple matter to amend this part of the Act to allow the Government additional time. The amendment appears to be consistent with the Government's intentions; I do not believe it will place unnecessary strictures on the Government and I urge its support.

Amendment put and negatived.

Clause put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

MR O'NEIL (East Melville—Minister for Works) [10.22 p.m.]: I move—

> That the Bill be now read a third time.

MR J. T. TONKIN (Melville—Leader of the Opposition) [10.23 p.m.]: Mr Speaker, I take advantage of this opportunity to express to you my appreciation of the attitude you adopted when the unfortunate difficulty arose in connection with the desire of the member for Mt. Hawthorn to move that the Bill be referred to a Select Committee. The member discussed the matter with me during the suspension of the sitting for dinner, and intimated it was his intention to mention during his speech that he proposed to move accordingly. I had occasion to leave the Chamber during the period in which he spoke, so I did not hear all his remarks and I was unaware of the fact that he had not referred to his intention.

Under the circumstances, I think you acted very fairly in putting the matter to the House to give us an opportunity of allowing the member for Mt. Hawthorn to move as he intended.

I very much regret that the Minister for Works departed from his usual very fair attitude and took an action which prevented the member for Mt. Hawthorn from proceeding in the direction he wished to go. I do not excuse the member for Mt. Hawthorn; however, it was an inadvertance which might have happened to anybody. However, I say without the slightest hesitation that had I been in the position of the Minister for Works, I would not have objected to a member from the Opposition putting such a proposal to the House. The Government has the numbers; the member would have been able to stand and put up his argument for a Select Committee and there would have been no undue delay of the discussion and our intentions would have been satisfied.

However, the Minister for Works saw fit to take the action he did and to make it impossible for the member for Mt. Hawthorn on behalf of the Opposition, to move his motion in the House. I think it would have been a fair and reasonable thing in view of the fact that the Government had indicated that the Act was overdue for review and that it intended to conduct a thorough review of the legislation, for a Select Committee to have been appointed to consider the proposals contained in the Bill and to have come forward with a recommendation, advisedly, that it would be desirable to have the entire Act reviewed, instead of proceeding in this piecemeal fashion.

Although during the second reading and Committee stages I endeavoured to get the Minister for Works to face up to the crux of the question, he continued to avoid it; namely, it is inevitable that this legislation will increase the competition for money in Western Australia. The Government cannot get away from that; that is the purpose of the Bill. It is to make it possible for money lenders to borrow where it is not now profitable for them to borrow. Their argument is that if they are in a position to get more for the money they have, they can afford to pay more for it to get it. But with the ceiling as it is, there is not enough profit on the amount they can get if they put up their borrowing rates.

What will happen immediately this legislation becomes law and the regulations are promulgated? The money lenders will start to offer more for money that they are not now borrowing and they will take it from other people who are borrowing at present; namely, building societies and finance companies. It will simply be a transferance of some of the money which is being deposited with them to money lenders who in turn will charge more for the money they will lend out. The only people to benefit will be the money lenders because they will make increased profits.

If there is any merit in a Bill of that kind, I fail to see it. It is no force with me to say that people with money to lend in Western Australia at present are lending it in other States and they will stop lending it in other States if we put up the amount they can get in return for lending their money in this State. We will do far more damage to the economy by bringing about this alteration than we will do by leaving the situation as it is. I very much regret—and I think the Government in turn will also regret it—that this legislation has been introduced.

The SPEAKER: I want to take a somewhat unusual step, because the Minister for Works finds himself in a situation where he is being blamed by the Opposition for his role in the matter. Whilst I appreciate the Leader of the Opposition's comments about my actions, I am afraid it was the soft line I took in regard to the desire of the member for Mt. Hawthorn to move for the appointment of a Select Committee which led to the Minister for Works being blamed by the Leader of the Opposition.

I deplore that. It would appear that the soft line which I did take took some pressure off myself in making such a decision, and passed it on to the Minister for Works. I trust that as a consequence of my having taken this most unusual step the Opposition will not hold this against the Minister for Works. I hope this will end the matter

Question put and a division taken with the following result—

Ayes—25

Mr Blaikie	Mr O'Connor
Sir David Brand	Mr Old
Mr Clarko	Mr O'Neil
Sir Charles Court	Mr Ridge
Mr Coyne	Mr Rushton
Mr Crane	Mr Shalders
Mr Grayden	Mr Sibson
Mr Grewar	Mr Sodeman
Mr P. V. Jones	Mr Stephens
Mr Laurance	Mr Thompson
Mr McPharlin	Mr Watt
Mr Mensaros	Mr Young
Mr Nanovich	*(Teller)*

Noes—19

Mr Bateman	Mr Hartrey
Mr Bertram	Mr Jamieson
Mr Bryce	Mr T. H. Jones
Mr B. T. Burke	Mr May
Mr T. J. Burke	Mr Skidmore
Mr Carr	Mr Taylor
Mr Davies	Mr A. R. Tonkin
Mr H. D. Evans	Mr J. T. Tonkin
Mr T. D. Evans	Mr McIver
Mr Fletcher	*(Teller)*

Pairs

Ayes	Noes
Mrs Craig	Mr Harman
Mr Cowan	Mr Barnett
Dr Dadour	Mr Moller

Question thus passed.

Bill read a third time and passed.

RURAL AND INDUSTRIES BANK ACT AMENDMENT BILL

Returned

Bill returned from the Council without amendment.

LOCAL GOVERNMENT ACT AMENDMENT BILL

Second Reading

Debate resumed from the 29th October.

MR TAYLOR (Cockburn) [10.34 p.m.]: Like the Reserves Bill which was introduced tonight, it would be an unusual session of this House if we did not have a Bill to amend the Local Government Act. This is a regular. I understand there is to be a third Bill to amend the Act this session.

I think every member should obtain a copy of the Local Government Act which contains approximately 700 sections and 27 schedules. In fact, it contains a very substantial argument with regard to centralisation. If there is any legislation in any Parliament, or in any area of government in this country, which one could say centralises power and authority, it must be the control that a State Government exercises over local government through this particular legislation.

I know many members will agree with this; in almost every section local authorities are required in one way or another to seek permission from the Government of the day through the Minister for the power to do certain things; or else they are governed or directed as to what they may do.

I suggest what the Australian Government is now doing in its efforts to enlighten and to assist local government is in a sense—rather than imposing centralisation—breaking what is a centralising bond holding local government to the State Government. If one looks back into the history of the Australian Governments, since the end of the last World War until the time of assumption of office by the present Australian Government, its internal indebtedness did not increase to any marked degree. I refer to the terms of office of four Prime Ministers—Sir Robert Menzies, Mr Holt, Mr McMahon, and Mr Gorton. In those terms Australia's indebtedness internally did not increase; but the internal indebtedness of the State did increase something like sevenfold and that of local government something like 2 000-fold. In fact, just recently in a debate in the Federal Parliament a member of the Opposition conceded that former Australian Liberal-Country Party Governments should be ashamed of the way they had treated local government.

For that reason I respectfully submit that any member who has the time to glance through the Act—I myself have only glanced through it—should do so to see what powers are reposed in the State Government of the day.

This evening we have before us an amending Bill which seeks to amend 29 sections of the Act. Of these, 11 clarify points which were missed in an amending Bill introduced just 12 months ago, when certain penalties were omitted, and certain difficulties were not cleared up. These are to be tidied up in the Bill before us. There is very little comment to be made on the other amendments in the Bill, except in one or two cases.

Perhaps it would not do any harm for me to cover some points that are mentioned in the Bill. A move is made to define, for example, an absolute majority both in terms of a council as a whole, and later in terms of its committees. It seems that local authorities cannot be trusted, or else they need guidance to assist them in this regard. The Act does that very clearly.

There is an amendment relating to the possible disqualification of members of local authorities under certain circumstances, and this allows for reimbursement of expenditure when they attend defence schools. That is a very worthwhile amendment, and indicates the degree of control.

Another clause will allow the Minister to set rates of payment for supervising elections in local government. At the moment the rate is prescribed. No local authority, not even the City of Perth or the City of Stirling, which at this stage have larger budgets and service as many people as this Parliament did when the Act was first promulgated, can now pay more than the prescribed rate for supervising elections in local government.

After the passage of the Bill the City of Fremantle will possibly formulate a committee to act in respect of an aged persons' home; and a country shire will be able to appoint a committee in respect of a recreation ground.

The Bill contains a proposal which allows a local authority to display on its notice board advice that a new by-law may be sighted in the office, instead of having to place it on the notice board. The Bill deals with a number of small matters, each of which is important to some local authority.

In the majority of cases the Opposition has no objection to them, but each amendment indicates to what detail one must go in "guiding" the third tier of government; that is, local government.

There are two clauses to which I would like to make special reference. The first is clause 11 which seeks to amend section 234. This has been included at the request of the Perth City Council, and will allow local authorities to impose modified penalties in respect of parking breaches by vehicles on council property; that is, on

road verges, parks, reserves, and such places. This is a power which local authorities have in respect of parking areas, but the amendment in the clause will enable local authorities to modify the penalties in other areas.

Councils already have the power to prosecute, but the procedure is rather cumbersome. It takes a number of months to obtain a prosecution. The only comment I wish to make is that I hope local authorities will use this new power in a circumspect way. Previously where a vehicle was parked on a road verge it required quite an effort on the part of the council to impose a penalty; that is, to take the offender to court.

Whilst this might have meant that some people who were deserving of being penalised were not penalised, at the same time the amendment could result in some local authorities becoming too officious in their control of off-roadway parking. It is hoped that local authorities will not take advantage of this amendment to make regulations which will allow them virtually to swoop on cars parked on road verges.

This provision refers mainly to a problem experienced by the Perth City Council in respect of parking, mainly in the evening along the Perth foreshore. However, the section could be used by any local authority in respect of any area over which it has control; it could become the source of revenue raising, or of assisting or discouraging persons in the way they use their vehicles.

The Minister has put forward an amendment in clause 17 which seeks to amend section 374, and to this the Opposition has no objection. Clause 25, which relates to a method of appeal in respect of revaluation of property, appears to require further amendment. I have placed an amendment on the notice paper. The Minister was good enough to have it examined, and he has pointed out there is need for a further consequential amendment. Because he has agreed to the principle contained in the amendment put forward by the Opposition we will withdraw our amendment and so allow the Minister's amendment to take precedence.

Clause 26 contains an amendment which worries the Opposition. It attempts to overcome a suggested problem related to the ability of people, who are in receipt of pensions, to have their rates deferred. It arises because of the action of the present Australian Government in moving, to its credit, towards the elimination of the means test.

It has become apparent to local authorities, and to the Government of the day, that an increasing number of people are eligible for an Australian Government age pension, or other form of entitlement. Those people, despite their higher incomes, are still able to claim a deferment of rates and the Minister proposes to amend the section of the Act so that only those receiving a pension in respect of a health entitlement will be able to obtain a deferment. The Opposition is not happy that the Minister has brought this matter forward at this time. We are surprised because the Government has two committees of inquiry under way in respect of rating.

In its election manifesto the Government promised an inquiry into all matters relating to concessions to pensioners in Western Australia. In fact, an inquiry began early in October and according to a report in *The West Australian*, dated the 17th September, it is hoped the recommendations from that committee will be available early in the new year. So we have a committee which has been set up to inquire into concessions for pensioners in Western Australia, and will put forward its recommendations early in 1975—presumably in time for the autumn session of Parliament. However, at this stage we are to amend the Local Government Act with respect to the ability of pensioners to defer rates. Surely, a delay of a month or two would not have mattered.

At the same time, the Government has appointed a second committee which is looking into the problem of land rates, taxes, and charges. In a Press report of the 2nd October it was stated that some 30 submissions had been made to the committee of inquiry regarding land rates, taxes, and charges. The comment made by the secretary of that committee was that it was possible submissions would be heard later in October. That committee is already sitting. The secretary suggested that the recommendations should include the possibility of people changing from the current system of rating and land taxes.

If there is a possibility of a complete change from the present system why amend the Act in this way? It seems there is every possibility of confusion and I would like the Minister to comment on that provision. If the Minister's answers are unsatisfactory I will move, at a later stage, that the provision be deleted altogether.

Clause 26 contains a requirement in respect of retrospectivity to the 1st July of this year. Those who have obtained a deferment prior to that date will continue to enjoy that deferment until the end of the last financial year. However, rate notices have already been sent out for the financial year 1974-75 and it is possible that some of those notices have been returned to the local authorities concerned requesting a deferment. The pensioners involved could have budgeted for this financial year believing there would be a deferment. I wonder what the situation will be in those circumstances.

I received my rate notice some six or eight weeks ago and a pensioner in the same position could have returned the rate notice requesting a deferment of payment. Does the provision in the Bill mean that when the Act is promulgated such a person will receive a second rate notice asking him to pay up? Those people who deferred their rates last year have probably budgeted for this year according to the present law. Will those people suddenly find that they will have to pay their deferred rates? I do not think the provision should have been included in the present Bill while two committees are investigating rates and taxes, one in respect of pensioners and one in respect of the whole rating system. The clause should not have been included in the Bill at this time. There seems to be no reason for its inclusion.

As I mentioned, the 26 items included in the Bill do not require elaboration other than clause 26. In supporting the Bill I ask the Minister to comment on my observations.

MR RUSHTON (Dale—Minister for Local Government) [10.50 p.m.]: I am indebted to the member for Cockburn for his comments, and I appreciate his remarks. I will attempt to answer the points he has raised. He indicated an unacceptable situation, from his point of view, with regard to centralism related to the State and local government. He presented a picture of the Commonwealth being the bestower not only of glad tidings, but also of good deeds, by taking local government from the clutches of the States.

I have visited 86 local authorities in the seven months or so that this Government has been in office, and I am sure that had the member for Cockburn accompanied me he would agree we are indebted to those people who serve us, on a voluntary basis, in this State. I might add that it is my intention to visit 103 local authorities by Christmas and it will be agreed that by that time I will have met a fairly good cross section of the local authority representatives in this State with the result that I will have a deeper understanding of the problem associated with local government than I had previously.

Having served in various areas of local government for a period of eight years I had an appreciation of local government before I took over the responsibility of Minister. I might say that I am mindful of the administrative responsibility accepted by the 138 local authorities throughout this State. I do not intend to recite the results achieved by those dedicated people in all parts of Western Australia. However, I must say that it is most rewarding to be able to serve those people in any way possible.

The member for Cockburn talked about the Commonwealth freeing local authorities from the clutches of the States. However, he would be aware that the Minister administering the Act has a constitutional responsibility to offer friendly guidance. Local government has an autonomy which I and the State Government wish to advance and enhance. That is our policy.

Mr Taylor: Local authorities must go to the Minister for that friendly guidance.

Mr RUSHTON: There is not much they do not know.

Mr Taylor: Most of it is laid down in the Act.

Mr RUSHTON: In practice, some local authorities do not approach the department for years.

Mr Taylor: Because it is all laid down in the Act.

Mr RUSHTON: It is purely an administrative system. When one travels to various local authorities and observes those administering huge areas to the tremendous benefit of the people of Western Australia one is given new strength. That is why local government in Western Australia is trying to tell the Commonwealth Government to keep its hands off local government in this State.

Mr Taylor: A provision which allows a local authority to pay a dog catcher 20c a mile is laying it on pretty thick. It is centralism. Why cannot they be allowed to agree on mileage rates? Is there not a degree of control contained in the Bill? That is the point I am making.

Mr RUSHTON: I will reply to that remark. The honourable member defeated his own argument when he made his speech in that he was wondering whether the City of Perth, or any other authority administering this legislation with regard to penalties and fines for parking, might not step out of line.

Mr Taylor: Why be controlled?

Mr RUSHTON: It is not a matter of control; it is a matter of local government administration throughout the State which looks after the interests of the whole of Western Australia at local government level. Local government comprises people of all standards of experience, education, or professional skill. It is a mighty training ground for many people, and it involves people from all walks of life. I suggest the Act contains tremendous strength and it illustrates the relationship between State Government and local government.

Mr Taylor: I agree with that, 100 per cent.

Mr RUSHTON: Local government is constitutionally the responsibility of the State Government.

Mr Taylor: Under 700 regulations.

Mr RUSHTON: We have observed the Commonwealth attempting to divide the State by means of regionalism now under question.

Mr Taylor: Allowing them to operate outside this Act.

Mr RUSHTON: The member for Cockburn can observe the work which is done.

The SPEAKER: Is this relevant to the Bill?

Mr RUSHTON: I am answering a point raised by the member for Cockburn when speaking to the Bill. I recommend to local government that it resist the regional concept on a statutory basis, otherwise it will not be long before we lose local government as we know it. If the member opposite observes what is happening he will see that we will lose our identity with regard to local government and the State Government if we are involved in statutory regionalism being promoted by the Commonwealth Government.

I would like to express my appreciation to the staff of local governing councils, and also to the staff of the Department of Local Government for the friendly and dedicated work done. The member for Cockburn would be aware of the vital part played by departmental officers. A person in Halls Creek is able to ring the department and seek a solution to a particular problem. We provide a helpful service and from my observation it is well received. The officers in the department have been there for some time and they are held in the highest regard throughout the State.

In the few months' experience I have had as Minister I have observed a tremendous warming to the policies which we enunciate regarding local government and which we are introducing. I think the officers see benefits for local government in what we are doing. We have a happy association and it is an association which works well amongst those involved with local government.

The member for Cockburn said he had examined clause 17 of the Bill and that he could not see why it should be included in the legislation now before us. The honourable member then kindly acknowledged my response to his suggested amendment to clause 25. The consequential amendment is necessary, and we have agreed that I will endeavour to have the Chamber accept it for the better administration of the Act.

When talking about clause 7, which relates to parking breaches, the member referred to the City of Perth and expressed the hope it would administer this provision in an understanding way. I mentioned previously that he defeated his earlier comments with regard to centralism. I merely suggest that local authorities are highly responsible, and the people involved in them see the necessity for this clause. I point out the amendment was suggested by the City of Perth. I would not be surprised if it was suggested prior to my taking office. I would not like to say outright that the previous Minister agreed to it. The effect of the clause is to reduce the cumbersome procedure of the present system. The wording of the clause is included in the Act in another part; therefore it is not a new principle. Unless the member interjects and expresses the need for it, I will not continue on to give a full explanation of that matter.

Mr Taylor: No, I do not require it. But the Minister will recall a situation—I think in North Perth—where parking inspectors of the City of Perth appeared to be a little officious in prosecuting people who, by necessity of block size, had to park on street verges in side streets. I express the fear that this may happen in other areas as a result of the easing in terms of prosecution. I do not require any further comment from the Minister. I simply make that observation.

Mr RUSHTON: One is always mindful that people at times administer provisions in a manner which is not acceptable. However, I indicate to the member for Cockburn that local government in itself has its own remedies. It is sensitive to people because it is elected. The checks and balances are there, and if a member of a local authority is officious his actions can be counterbalanced. I feel we already have the necessary protection, and as long as we maintain the present democratic situation the remedy is at hand.

I refer now to the matter raised in respect of clause 26, which amends section 561 of the Act and relates to the deferment of pensioners' rates. The matter raised by the member for Cockburn is a sensitive one and one to which a tremendous amount of thought was given. A special working party set about investigating this. It went to the Crown Law Department a number of times in an endeavour to find the most acceptable wording. The Local Government Association has pressed for some protection to be provided for local authorities because it felt it would not be long before everyone was entitled to a pension, and one can imagine what would happen then.

Mr Taylor: No, it would be at least another three or four years. It is 70 years of age at the moment. You have two committees now which are to report in a matter of weeks.

Mr RUSHTON: This is a sensitive area and one which the Government, as well as the Opposition, would like to see resolved in the best possible way. I assure the House that should the provision prove not to work as well as we hope it will work, I will be happy to give consideration to suggestions put forward.

Mr Taylor: Do you mean to say you would put through an amendemnt now in respect of which you might receive contrary advice in January or February, and that you would change it in the autumn session?

Mr RUSHTON: It could be later than that.

Mr Taylor: I think the Minister had better sort out in his mind what he is doing.

Mr RUSHTON: I think this time next year we will gain the benefit of the results of the inquiry.

Mr Taylor: Not according to the Press report; it will be early next year.

Mr RUSHTON: This is a deep and full inquiry; it is endeavouring to find a different basis for local government finance, so that it will not be dependant only on the rating of land. It is endeavouring to ascertain ways and means to provide relief to the ratepayer. I will be prepared to consider any proposition which could prove to be advantageous. If the member for Cockburn can arrive at a better amendment we will give consideration to it.

I treat local government on a non-political basis. I heard someone chortle, but to me local government is non-political and should remain that way. Apparently a member does not appreciate local government.

Mr A. R. Tonkin: We appreciate it all right.

Mr RUSHTON: I would conclude by saying if the member for Cockburn can produce an amendment to provide a better solution to this problem, and to ensure that the financial burden on local government does not continue to grow, we will give consideration to it. However, it would be a matter of considering such an amendment in another place.

I appreciate the member's acknowledgment of local government, even though obviously he still has much to understand about it. I hope he gains that understanding in due course.

Mr Taylor: Good heavens.

Mr Davies: How rude can you get?

Mr RUSHTON: Certainly the member for Cockburn is confused in regard to the role of local government. His presentation was made in the solid way we have come to expect from him because of his real concern about the content of legislation. The amendments in the Bill relate basically to the domestic affairs of local government. Some are of minor importance, while others are of great importance to its administration. I thank the member for Cockburn for his comments, and the House for the reception it has given to the Bill.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (Mr Blaikie) in the Chair; Mr Rushton (Minister for Local Government) in charge of the Bill.

Clauses 1 to 11 put and passed.

Clause 12: Section 245A amended—

Mr SKIDMORE: I rise to draw the attention of the Committee to the requirement in the Bill for people to register private swimming pools and to pay the prescribed fee. The Minister said that because the swimming pools are not regarded as buildings and no licenses are issued in respect of them, local authorities may not be aware that they have been established. I understand that point.

He then went on to say such a pool may not comply with the by-laws and a drowning could occur which could possibly have been averted had the council been aware of the existence of the pool, because the requirements of the uniform private swimming pool by-laws would have been enforced. I take issue with the Minister on that point. To me it is a wrong conclusion to draw.

My knowledge of these by-laws is fairly comprehensive, because I must try to meet them. Some of the by-laws are virtually impossible of implementation in such a way as to provide the protection which is so urgently needed. Section 3(a) of the uniform private swimming pool by-laws says that one must have an efficient self-closing mechanism on all gates. Being required to close off an eight-foot driveway with a gate with a self-closing mechanism presented me with a problem. The gate ran in an east-west direction, and had to open in a northerly direction. I went to the considerable expense of having special hinges turned and fitted, with a self-closing mechanism built into them because I was unable to obtain hinges suitable for the task. Those hinges were precision-made in an engineering shop and cost a considerable amount of money.

Mr Crane: Did you take out a patent on them?

Mr SKIDMORE: No, there was no need to patent them. I did not wish to make a profit out of them. The point I am making is that my objective at that time was to keep closed two four-foot high gates, but once again I found myself in extreme difficulty. I approached every hardware firm in Perth to ascertain how I could close those gates. Some firms suggested a self-closing gate with a swivel-type hinge but I found that this was ineffective. I then tried to obtain the old type angle hinge which ran along the back of the gate, but I was informed that I could get some from England. I considered that was too far away for me to obtain hinges.

What I am intimating is that the suggested amendment will not achieve the objective and I sincerely want that objective to be achieved so that fatalities can be prevented in swimming pools in the future as I have a pool and I am

extremely conscious of my responsibility. I finished up by making my own self-closing spring-loaded hinges which I placed below the existing hinge and the gates then worked satisfactorily to the extent that children were not able to climb up onto the gate and reach down far enough on the other side to release the lower trip catch as well as operating the catch at the top of the gate. In my opinion a child of 10 years of age would not have a long enough reach to carry out this operation.

However, after all this trouble I struck another problem. During the south-westerlies in the afternoon my gates had to be loaded to such an extent that they closed against the wind, and they really worked well. However I then experienced the north-westerlies which almost blew the gates over to the other side of the road and they nullified the spring-loading arrangement. What I am trying to point out is that there is only one answer, in my opinion, after having a swimming pool for some years; that is the absolute control of the people inside the pool, and the control of children in the whole of the swimming pool area.

I am glad to have an opportunity to expound my theories on this question, because I was in the difficult position of having two grandchildren who had access to my grounds at all times when the pool was open. I spent $65 dollars on a pool cover which is supposed to support the weight of a child. I put the cover on and in three months it rotted away. I immediately bought another cover for $65 and was given a guarantee that it was manufactured of an entirely different polyurethane material which would not rot. So I managed to persuade my neighbour's large dog to walk across the pool cover which it managed quite well. I also placed two large inflated truck tubes underneath the pool cover to ensure a sufficient run off of any water that lodged on it.

This is in itself an effective safeguard, but did not provide the complete answer. I believe that the by-laws governing swimming pools must be amended to ensure that a swimming pool is covered with a cover constructed of metal—preferably of aluminium. I am experimenting with one at the moment. The cover must be light enough, obviously, for a person to place it in position and to remove it when necessary. It could be constructed in sections so that it could be easily removed or placed in position.

This is the only answer to ensure complete safety in a swimming pool and in a swimming pool area. I am extremely conscious of the dangers and whilst perhaps the registration of the pool will bring about some safeguards in relation to some of the above-ground pools which are installed at the back of residences and are not completely enclosed, it will not give complete protection, because such pools do not have to be covered as the area where the pool is installed already has fences surrounding it.

In my opinion the legislation needs further review and I hope the Minister, at some subsequent time, will give due consideration to that aspect because I do not wish to see any fatalities taking place in swimming pools in the future. I repeat that the only answer is to cover the pool completely with a cover that is easily placed in position and easily removed, and it should be provided that the cover must be in position at all times when the pool is not in use.

I have no trouble keeping my neighbours out of my swimming pool area, because I built a six-foot brick fence around my swimming pool. However, this was not the answer so far as my own grandchildren were concerned, and herein lies the problem. A person may finish his swim in the pool and ensure that his grandchildren are inside the house, but before he knows where he is they are back in the pool again. So I hope that in the future the Minister will give some consideration to that aspect of safety in regard to swimming pools.

Mr THOMPSON: I would remind the Committee that in the twenty-seventh Parliament I raised the issue of swimming pools and, in fact, attempted to amend the by-laws in order to accommodate some of the people who live in my area and some of those people who have difficulty in complying with the uniform swimming pool by-laws. I was placed in the rather unusual situation of having succeeded, as a private member in Opposition, in getting this Chamber to agree to the second reading of my Bill, only to find that all the effective teeth of my measure were taken out in another place where we had the numbers.

Mr Skidmore: That was disappointing.

Mr THOMPSON: It was extremely disappointing, but it highlights the fact that the Upper House is a House of Review.

Mr Jamieson: Yes they all should go on tour as a revue company.

Mr THOMPSON: I believe that the incentive to experiment and to investigate ways of more effectively making swimming pools safer has been removed by the law we have at present in relation to swimming pools. The law provides that a four-foot fence shall be erected around the area and that a spring-loaded gate with a self-locking device should be installed, but unfortunately, as the member for Swan has said, that does not solve the problem. In fact, it has highlighted some of the problems that exist under the present arrangement.

I do not believe that compulsory registration of swimming pools will overcome the problem. The present Minister for Local Government is a very approachable, hard

working, and conscientious Minister, and I hope he will speak to his departmental officers to try to convince them that this matter needs closer examination than it has had in the past.

I know that the Shire of Kalamunda—the locality in which I reside—is doing its level best to try to get people to comply with the swimming pool by-laws, but there are some cases where it is completely impracticable to comply with the relevant by-laws and it was for that reason that I introduced my Bill into this Chamber some months ago. I therefore draw the Minister's attention to a problem which I still believe exists in the hope that we may be able to create a situation where it is possible for private enterprise or individuals to come up with some innovation that will ensure safety, but while the law provides that the only safety measure to be adopted is the provision of a four-foot fence, there is no way in the world to get people to expend money to find some other form of safety device for a swimming pool.

I know that when I recently visited Melbourne some concern was expressed in the Press in that State that a by-law required people to protect the lives of young people when using swimming pools in that State, and I note also with interest that it appears as though the Victorian Government or some private member is to introduce legislation to try to solve this problem. At the time I made a mental note that I hoped they are not as narrow in their thinking as shown in the by-laws which are in operation in this State.

Mr RUSHTON: I appreciate the contributions to the debate by the member for Swan and the member for Kalamunda. Swimming pools are somewhat of a tribulation to those who must exercise some control over them.

Mr Skidmore: The tribulations are experienced by those who own them.

Mr RUSHTON: Yes, that is so. I trust that, after the concern expressed by the member for Swan he may be successful in finding a solution, by filling the swimming pool in.

Mr Skidmore: I am not a very good gardener, but I am quite a good swimmer.

Mr RUSHTON: I would reflect that the legislation was originally introduced by my predecessor who expressed great concern for safety in swimming pools. The Government of the day was that headed by Sir David Brand. The Bill was introduced by a party of the opposite political persuasion to my own and the introduction of this legislation was really a joint effort.

I do know, as the member for Swan and the member for Kalamunda have mentioned, that there are anomalies in the legislation which have been studied by many people to see if they can be resolved. I think we have to admit that this legislation was introduced and actually handed to local government to administer. So we have passed on to local government legislation which is not easy to administer. As a result we have the Local Government Association, which represents local authorities in the metropolitan area, asking that it be aided in its administration of the legislation. We all must agree that it is not the perfect answer.

The other day I was interested to read in the Press that in Victoria the Minister for Local Government in that State is considering introducing legislation which will provide for effective covers to be placed over swimming pools. That Minister does not believe in the area being enclosed by fences. I have not this information because I intend to try to obtain from him, when he has an opportunity to find an adequate cover for swimming pools, information in regard to it to ascertain if it works effectively. If I find this to be so we may bring in an amendment to our own legislation. We have to acknowledge that what we have at present was introduced with good intent and if we can come up with an improvement we should do so. The member for Kalamunda did introduce legislation and was successful in getting his Bill passed through this Chamber, but when it failed in another place I am sure that was very soul-destroying to him.

I acknowledge that a need exists to continue to search for better methods, and this is a duty I accept. If any member obtains knowledge of a better method of safety, and conveys it to me, I will be very pleased; and I guarantee I will have it thoroughly researched to ascertain whether it will meet the requirements of the member for Swan and the member for Kalamunda.

Clause put and passed.

Clauses 13 to 16 put and passed.

Clause 17: Section 374 amended—

Mr RUSHTON: This clause is necessary because of an anomalous situation brought about as the result of last year's amending legislation. The situation under the Act at present is that two people would be responsible for the issuing of building licenses. This clause rectifies that anomalous position. However, it is felt that the clause is not adequate and so I move an amendment—

> Page 6, lines 5 and 6—Delete the words "a subsection" and substitute the word "subsections".

Amendment put and passed.

Mr. RUSHTON: I move an amendment—

> Page 6—Delete new subsection (1b) and substitute the following—
>
> (1b) The authority to approve or refuse to approve plans and specifications submitted under this section

may be delegated by a council to a person appointed to the office of building surveyor, but where a plan and specifications so submitted conform to—

(a) all by-laws in force in the relevant district or part of a district in respect of building matters, and the council's pre-determined policy in respect of building matters; and

(b) all by-laws and schemes in force in the relevant district or part of a district in respect of town and regional planning matters, and the council's pre-determined policy in respect of town and regional planning matters,

the building surveyor shall not refuse to approve that plan or those specifications without first obtaining the consent of the council.

(1ba) The council may vary or revoke a delegation made under subsection (1b) of this section. .

Amendment put and passed.

Clause, as amended, put and passed.

Clauses 18 to 24 put and passed.

Clause 25: Section 559 amended—

Mr TAYLOR: The Minister confirmed in the second reading debate that he is prepared to accept the amendment I proposed, though in a different form. Because of a consequential amendment which is necessary, I do not propose to persevere with the amendment appearing in my name on the notice paper.

Mr RUSHTON: Briefly my amendment allows the withdrawal of an appeal three days prior to the hearing, and so eliminates all sorts of costs. In some instances a person would have a genuine necessity at a late hour to withdraw and so I hope the Committee will accept my proposal. I move an amendment—

Page 10, line 32—Delete the words "at any time" and substitute the words "not less than three days".

Amendment put and passed.

Mr RUSHTON: I move an amendment—

Page 11, line 10—Delete the words "before that day" and substitute the words "not less than three days before the day appointed for the hearing of the appeal".

Amendment put and passed.

Clause, as amended, put and passed.

Clause 26: Section 561 amended—

Mr TAYLOR: During the second reading debate I made several comments on this clause and in respect of specific questions asked by me no comment at all was made by the Minister. I desire him to answer three points dealing with the ability to defer rates. This right, in some instances, is to be terminated as from the 1st July this year.

Firstly I would like to know whether any person who obtained the right to defer rates during the financial year 1973-74, and who did not receive a rate notice this year because of that deferment, is now likely to receive a rate notice for this year.

Secondly, I would like to know whether a person who has received a rate notice since the 1st July, this year, and who applied for and obtained a deferment, will, despite that deferment, now be required to pay rates for this particular year.

Thirdly, although it is of the least consequence of the three, I would still appreciate a comment as to whether the Minister considers it fair that a person who may have budgeted in respect of a deferment may now find he is required to pay rates for this financial year.

Mr RUSHTON: I will put the points made to me and they will clarify the issues raised. It is recommended that deferment of municipal rates should be confined to classes of pensioners covered under section 561 of the Act who are eligible for free medical benefits under the National Health Act. The amendment should be effective from the 1st July, 1974. The pensioners who were entitled to have their rates deferred prior to this date and used the right, under this amendment shall be entitled to defer rates accrued and deferred before the 1st July, 1974. I think that clarifies the point.

Mr Taylor: No it does not.

Mr RUSHTON: It indicates what is happening.

Mr Taylor: Yes, but it does not answer the question.

Mr RUSHTON: If the member for Cockburn believes that further thought should be given to this aspect, action could be taken in another place. I would undertake to have it further considered, but that is the actual position under the Bill. Could the honourable member refresh my mind on the third point? I think it is covered by what I have said.

Mr. Taylor: I asked whether it was fair that people who have not budgeted to pay rates this year because of the deferment should now be obliged to do so?

Mr RUSHTON: It is always a question of fairness in everything. If the rates of the member for Cockburn were increased from $200 for last year to $800 this year, he would not think that was fair.

Mr Taylor: That is not an answer.

Mr RUSHTON: All these factors have been taken into account.

I have indicated that the difficulties experienced by local government authorities can and will be reviewed as the necessity arises. The question of fairness raised by the honourable member is very difficult to determine, and I indicate that I will be prepared to give it further consideration when the Bill goes to another place.

Mr TAYLOR: The Minister's reply is just not good enough. During the second reading debate I asked some questions and felt some thought might have been given to the matter, but it is obvious from the probing that that is not so.

I would like the Committee to realise what the clause means. People over the age of 70 are eligible for an age pension because of a move by the Australian Government, and as the Act under discussion now stands they are able to obtain a deferment of rates. Some of them will now be obliged to pay rates in this financial year. Whether or not they should pay rates is a matter of conjecture and certainly I believe those who are on a high income should pay rates. But those who have a deferment from the last financial year and who may not have received a rate notice this financial year—and half of the year has gone by already—are now likely to receive a rate notice for any amount. I suggest that pensioners in that category, who could be receiving $60 to $70 a week made up of a pension and a small supplemental income, will now be obliged to pay rates in this financial year.

Secondly, the clause could mean that people who have already received rate notices this year and have applied for and received exemption, will now have the rate notices sent back to them for payment. That is not good enough.

Moreover, the Government has appointed two committees, one to investigate rating systems—and the Minister has already agreed there may be a complete change in rating systems—and another independent committee which is currently examining pensioner concessions. Yet we have an amendment to change the rating provisions applicable to pensioners. I want to move an amendment to this clause to change the date from which it will become effective. I move an amendment—

> Page 12, line 10—Delete the figures "1974" and substitute the figures "1975".

The reasons for the amendment are obvious.

Mr RUSHTON: I have already indicated to the member for Cockburn that I am not unmindful of what he has said. He has had about three weeks in which to present amendments. This one is quite clear.

Mr Taylor: It would have suggested itself when you presented the Bill.

Mr RUSHTON: I regard this Bill as domestic-type legislation on which we can concede points from time to time. I cannot see any objection to the honourable member's amendment but I indicate that I am not prepared to consider it before the Bill goes to another place. The way to deal with amendments is to place them on the notice paper. When amendments are not on the notice paper, I am prepared to have them considered and checked for consequential amendment.

Mr Taylor: Then the Committee has no function at all. Surely this is the place sequential amendments.

Mr RUSHTON: The honourable member also has an obligation to put amendments on the notice paper. I do not think I have been unfair in my acceptance of another amendment, and I have no intention of being unfair on this occasion. I think what I have suggested is the best possible way in which to amend legislation.

Mr DAVIES: I would rather the whole clause were defeated at this stage, but the member for Cockburn has moved an amendment to defer its application until the 1st July, 1975, and I am prepared to support that. I am mindful of what happened earlier this year when certain concessions were withdrawn from pensioners because of changes in pensioner rating. A stream of pensioners beat a path to my door because something they had was suddenly taken from them. I wrote to the Premier and suggested it might not be unreasonable to continue to allow those pensioners to have free travel on buses. He replied saying the matter had been referred to a committee which would investigate it. It subsequently turned out that the committee had not been appointed at that stage, but it has now been appointed, and although it is to conduct a full-scale inquiry and various interested sections of the community have been asked to make submissions, the Government is taking action at this stage to withdraw a concession.

Many people will be approaching members of Parliament saying, "The Government is completely unfair. I have a rate notice saying that this year I owe the Perth City Council $600 in back rates and another $60 this year, but they are being deferred because I fall within a certain category." Because of this legislation they will receive a second letter saying, "We are sorry but we ask you to pay the $60 for this year." Apparently the back rates will still be deferred, but although the year is half over and everyone else has received their notices and paid their rates, these pensioners will be asked to pay their rates.

It is completely unfair and will be confusing to pensioners, who have now established their right in one regard and will have the right taken from them, being for the most part completely unconscious of

what is going on and having been lulled into a sense of complacency because they believe the Government is doing the right thing in conducting an inquiry into pensioner concessions. This will cause confusion, distress, and needless concern to a very large section of our community. What would happen if we held it over for another year or two? The councils will not get their rates; they will be deferred. In the meantime, because of what the Tonkin Government did—

Mr Nanovich: What did it do?

Mr DAVIES: —the present Government will no doubt continue to adopt the policy of paying the interest on money that is borrowed to replace the rates that have been deferred. That is what the Tonkin Government did. There is no need to say we should have given notice of the amendment. It is quite clear. If anyone is to be criticised, it is the Minister for not knowing what is going on in regard to two very important inquiries, one on pensioner concessions and one on local government rates. There is no need to have the amendment considered in another place, because it is reasonable and fair. If the Minister is still confused about it, which I do not believe, he can report progress and ask leave to sit again tomorrow. This provision will upset many people and we now have the opportunity to ensure they are not upset.

Mr RUSHTON: I have said I will review the clause. Who knows what the end result will be?

Mr Taylor: That is why we are moving it now; we do not know what the end result will be.

Mr RUSHTON: I acknowledge this is a very sensitive area as far as pensioners are concerned. There are others in the community to be considered; that is, local government and the ratepayers. It is a question of equity which needs to be resolved. Having instigated the two inquiries to which reference has been made, the Government is obviously conscious of these two sensitive areas. For that reason I want to have the opportunity to give the amendment consideration.

Mr Davies: Report progress on it.

Mr RUSHTON: I will see it through to another place if I can and handle the legislation in this way.

Amendment put and a division taken with the following result—

Ayes—19

Mr Bateman	Mr Hartrey
Mr Bertram	Mr Jamieson
Mr Bryce	Mr T. H. Jones
Mr B. T. Burke	Mr May
Mr T. J. Burke	Mr Skidmore
Mr Carr	Mr Taylor
Mr Davies	Mr A. R. Tonkin
Mr H. D. Evans	Mr J. T. Tonkin
Mr T. D. Evans	Mr McIver
Mr Fletcher	*(Teller)*

Noes—24

Sir David Brand	Mr Nanovich
Mr Clarko	Mr O'Connor
Sir Charles Court	Mr Old
Mr Cowan	Mr O'Neil
Mr Coyne	Mr Rushton
Mr Crane	Mr Shalders
Dr Dadour	Mr Sibson
Mr Grayden	Mr Sodeman
Mr Grewar	Mr Stephens
Mr Laurance	Mr Thompson
Mr McPharlin	Mr Watt
Mr Mensaros	Mr Young
	(Teller)

Pairs

Ayes	Noes
Mr Harman	Mrs Craig
Mr Moller	Mr P. V. Jones
Mr Barnett	Mr Ridge

Amendment thus negatived.

Clause put and passed.

Clauses 27 and 28 put and passed.

Title put and passed.

Report

Bill reported, with amendments, and the report adopted.

Third Reading

Bill read a third time, on motion by Mr Rushton (Minister for Local Government), and transmitted to the Council.

FISHERIES ACT AMENDMENT BILL

Second Reading

Debate resumed from the 24th October.

MR CARR (Geraldton) [12.06 a.m.]: At the outset of my remarks I would like to express my thanks and appreciation to the Minister and the Premier for the postponement of this debate so that copies of the speech notes and the Bill could be distributed amongst the fishermen. I am not quite so appreciative of the time that has been chosen to bring this matter on, but I guess that is beyond our control.

Copies of the speech notes and the Bill have been distributed amongst the fishermen in Geraldton and, through my colleague, in the Fremantle area.

The Bill involves a fairly extensive rewriting of the Act. Because of this there was need for considerable discussion with the industry. We have not drawn very much response from the fishermen, and we hope this means there is reasonable agreement with the legislation. In fact, those representatives of the fishing industry with whom we have discussed the Bill have been in general agreement with it.

The Bill was discussed at a meeting of the Professional Fishermen's Association in Geraldton, and it has also been discussed with representatives of the Australian Fishing Industry Council. The attitude of the Opposition is one of general agreement with the Bill, and this is no matter of surprise because I understand that it has taken five years to draft during

the administration of three Governments of both sides. Obviously it is not a political document.

The measure contains a mixture of provisions; there are 50 clauses in all. Some of its provisions are very good and, in fact, some are excellent. The Bill contains some especially good conservation and environmental provisions, and it also contains a commendable consumer protection provision.

The Bill has some common-sense provisions and some practical alterations derived from experience in administering the Act. We do not oppose these. Some of the provisions we accept as being necessary, although we do not particularly like them. I will say more about a few of these later. Some of the clauses need further clarification and, in fact, we find one a little controversial, but it was not even mentioned by the Minister in his second reading speech. It is a little disappointing that the same Minister has twice introduced Bills into the House and has omitted to discuss a controversial clause. We certainly hope this conduct will not be repeated a third time.

In particular, we feel some clarification is necessary in regard to the clauses which provide for the drawing up of regulations. I make the comment that perhaps sometimes legislation is not as important as the regulations which can be drawn up under it.

I will be calling on the Minister to explain what is intended under some of the regulation-making powers of the Bill. The livelihood of some fishermen could be affected very seriously by regulations which may be drawn up. I believe Parliament should know what is intended before we are asked to pass the measure.

Finally, we do not like a few of the provisions, and I give notice that we propose to move amendments to them.

I will talk about the good provisions first. I am pleased to say that the three amendments described by the Minister as being the three major amendments are all in this category. Firstly, taking the concept of limited entry fisheries, as the Minister said in his second reading speech, this is not a new concept. This philosophy developed during the last decade or so. Previously, the concept was administered by regulations and rules were applied to the issue of licenses. The idea now is to transfer these matters to legislative control. We recognise this as a necessary step to protect and preserve valuable national assets. We are very pleased to see the move from administrative and regulatory control to legislative control. I make the comment that this is contrary to the present trend in government at all levels, and it is very good to see. Involved in this also is the idea of an extra fee above the standard license to be paid by those fishermen who occupy a preferred position in limited entry fisheries. We regard this as quite reasonable, especially as the fee is payable to a research trust fund. We note the new method of payment and its necessity following a High Court decision.

I have a query to raise on this matter. I ask the Minister to give some indication of the amount of the fee involved. He may be aware that rumour is rife amongst the fishermen. They do not know what to expect, and the general idea is that the fee will be $5 a pot per annum. The fishermen would like to know the extent of this fee as soon as possible.

We welcome the introduction of fish farming, with particular reference to marron. We note that strict controls are available to the Director of Fisheries under this Bill and we recognise the need for this control in view of the danger of abuse. The same clause which provides for fish farming also proposes to regulate the aquarium industry. As well as this, clause 13 provides for the introduction of regulations in connection with the aquarium industry. We regard this principle as being quite desirable. However, we would like to know about the regulations proposed for this industry. In theory at least, the director is given the power virtually to destroy the aquarium industry. We presume that there is no such intention—we trust the Minister and the director—but we would like to know exactly what is proposed in this regard. We believe the people participating in the aquarium industry have the right to these details also.

The concept of aquatic reserves is the third major provision of the Bill. We welcome this also as a very good conservation measure. We note that the provision is similar to that relating to "A"-class reserves in land legislation. We presume that these reserves will be principally to preserve the fishing industry, and this is a good move. I hope that the provision of aquatic reserves will be used also to protect other underwater phenomena as part of our national heritage, and I give the example of coral formation. I pose the question: Does this legislation also extend the power to protect that sort of asset?

I will turn now to the other beneficial provisions in the measure, and I will run through these fairly quickly. We welcome the provision that requires the Director of Fisheries to have appropriate academic qualifications in science. We welcome also the provision to legalise possession of part of the rock lobster other than the tail, and I am referring to the leg meat which we have all had the illegal pleasure of eating. This meat is very popular and I see a potential for the use of it in paste and spreads at some later time.

I was pleased to see that when the Minister commented on this clause he told us of interest being shown in processing meat

from the head or carapace also. We are very pleased with the provision to prevent poisonous or noxious objects being introduced into the sea. This is a very good conservation move and it indicates a growing concern throughout the community for the preservation of our environment. I also compliment the department on its excellent record in the field of conservation and environmental protection generally.

We welcome the provision to prescribe a common name to a species of fish, as well as the provision which makes it an offence to sell this fish under any other name. This raises a query as to how far the provision will extend. It appears to me that it will apply to fish at all stages, including the retailing of cooked fish. I would like the Minister to indicate whether it will go that far, and if it does, we regard it as an excellent piece of consumer protection legislation.

The Bill contains a number of other reasonable provisions which we accept as being necessary and desirable. I refer to the provision to redefine Western Australian waters to eliminate anomalies which have occurred; the provision to create honorary inspectors and licensing officers in prescribed areas; the provision to add another fisherman to the Rock Lobster Advisory Committee to represent Jurien Bay and Cervantes; the provision to crack down on "stretching" or mutilation to camouflage the size of the fish; and the provision to enable a species of fish to be declared noxious and to provide for its control or eradication. We acknowledge the problems which European carp have created in other places and may create here.

I turn now to a number of provisions which, quite frankly we do not like but which we do not intend to oppose because we accept them as being necessary. An example of this would be the powers of inspectors as laid down in clause 48. I think it is well known in many circles that the Fisheries Act contains many strong powers. In many cases, fisheries inspectors have powers beyond those normally given to policemen.

We consider some of these powers impinge upon the normal concept of civil rights. Examples are the removal of licenses from fishermen without recourse to courts; and, those provisions which place the onus on the accused to prove his innocence. This Bill has at least one or two provisions which we regard as being in a similar category. In particular, I instanced the power given to an inspector to enable him to order a fisherman not to put to sea until the inspector is available to go with him.

The Government will say, of course, that fishermen want this type of strong legislation and that the good fishermen are protected from the disreputable person who wants to exploit the industry unfairly and could possibly destroy it. In fact, this does appear to be the case and the fishermen seem quite happy with such strong legislation.

I should comment at this point that the fishermen have a choice of entering the industry and after they have partaken of that choice they must be expected to abide by the rules of the industry. We must consider the rights of honest fishermen in general; that means of course not only fishermen and the fishing industry of today but also fishermen and the community in general of the future. Fishermen certainly do not want their industry fished out or destroyed, as it could well be; it is a fragile industry and needs strong measures to protect it.

Fishermen have enough problems already, without adding others; they work under difficult conditions and experience a hard life, especially when they spend a number of months at the Abrolhos Islands or some other isolated fishing camp. They must provide their children with education in places where they camp for four or five months and where the Government provides no education facilities other than correspondence courses, and a subsidy for the construction of their own school buildings.

Crayfishermen generally receive less Government assistance than other primary producers. I instance the use of landrovers, which crayfishermen regard as essential to carry bait and such things. That would be regarded as normal farm equipment and would attract a sales tax exemption if the vehicle were on a farm; however, the crayfisherman is not entitled to such an exemption. That is perhaps another disadvantage suffered by these people. As I mentioned, the Bill contains some provisions which we do not like but which we recognise as being necessary. The Government may argue in support of these unsavoury provisions that the fishermen choose to enter the industry and therefore must abide by the regulations requested by the industry itself.

I turn now to the less clear provisions of the Bill; I believe they need clarification. I refer the Minister to the provision relating to bag limits. What is the Government's intention in regard to this provision? Does the Minister intend to introduce quotas or anything of that nature? In his second reading speech the Minister referred to foreign fishing boats and, specifically, to Indonesian fishermen. Proposed section 49B(2)(b) provides the power of arrest. I hope the Government is not starting a vigorous campaign directed at these subsistence fishermen who have visited Australia for centuries. I noticed in last Tuesday's *The West Australian* an article referring to discussions

in Jakarta last weekend between Australian and Indonesian authorities which appeared to indicate that the matter would be resolved fairly amicably between the two Governments.

I noticed also that the Western Australian Director of Fisheries attended that conference; I hope that cool and rational action will prevail and that this Government will not do anything irrational. In view of the publicity given to these fishermen over the last few months, I would ask the Minister to indicate the Government's intention regarding the implementation of clause 48 and, in particular, its policy in regard to the Indonesian fishermen so that the public at large will know exactly what the Government intends to do. Further, if the inspectors are to be given the power of arrest, how do they propose to enforce this power if the arrest is resisted? What sort of situation will eventuate in that event?

The Opposition seeks to amend a couple of clauses. Firstly, I refer to clause 23. In proposed subsection (5), a situation may arise where a servant may prove to all intents and purposes that he knew nothing about a particular offence; yet he is still found guilty and a conviction recorded against him. He will not have to pay any fine because the same subsection contains a further provision under which his employer will pay the fine for him, irrespective of whether or not his employer was found guilty and fined. The situation could arise where the employee could be innocent of the charge but still have a conviction or a black mark recorded against his name. That is something which needs to be removed from the Bill.

We are also not happy with the possibility in the same subsection that an employer may be fined twice. The employer may be found guilty of an offence and fined. His employee may also be found guilty, but his fine must be paid by the employer. In effect, he may be fined twice. We would have liked a further drafting of this subsection to avoid this situation, but we experienced difficulty in wording our amendment along those lines. We found that in trying to get around the double fine provision, we would have removed another part of the clause which we accepted; namely, the employer's responsibility for his employee's fine.

In conclusion, the Opposition generally approves of and supports the Bill. I hope the Minister will clarify the few queries I have raised and I hope he accepts the amendments which we will move in the Committee stage.

MR LAURANCE (Gascoyne) [12.24 a.m.]: I express my support for this Bill and hope to highlight some of the provisions which will affect the electorate of Gascoyne. Any amendments to the Fisheries Act are of the utmost importance to the Gascoyne area because the fishing industry exists right along the coastline bordering my electorate and affects three definite areas. Firstly, in the south, there is the area and township of Denham, which is almost solely dependent on the fishing industry. Carnarvon also has a major industry based on prawning at Shark Bay; there have been excellent catches and the industry has grown considerably in recent years. The number of licenses has just been increased by, I think, three, to take the total fleet operating from Carnarvon to some 35 boats. Members will appreciate the considerable investment in a fleet of that size and its importance to the town of Carnarvon and, indeed, to the economy of the State as a whole.

That industry is expanding and diversifying into scallops and other forms of seafoods and great potential for wet fish processing exists. I should also like to refer to a boat harbour nearing completion in Carnarvon; it could well make Carnarvon the most important fishing centre outside of Fremantle. I do not think there is another port between Cairns and Fremantle around the northern coast of Australia which could provide slipways capable of taking fishing boats, apart from Carnarvon.

Finally, in the north of my electorate, Exmouth has a very viable prawning industry. M.G. Kailis Gulf Fisheries has announced its intention of extending its operations, including the expenditure of several millions of dollars in expanding into tuna processing. There are several ways in which this Bill will affect the industry. Clause 30 provides for the establishment of limited entry fisheries—a most important provision which will affect each of the three areas to which I have just referred.

As the Minister said in his second reading speech the concept of limited entry fisheries was pioneered in this State and is now becoming accepted around the world. Its effect on the fishing industry in my area would be to stabilise the industry and assure its continuity. These areas cannot afford to be overfarmed in the short term; we rely on stability in the area and seek the industry to be a long-term operation.

The Bill also deals with the establishment of aquatic reserves or what are sometimes called marine national parks. Clause 28 of the Bill provides for the establishment of these reserves; initially, it is intended that there will be three such reserves. The first is an area of sea surrounding the marine research laboratory at Watermans; the other reserves are off the coast of the electorate of Gascoyne. I refer to Point Quobba and Coral Bay, both to the north of Carnarvon. Clause 28 provides—

For the preservation of all or any specified forms of marine or freshwater animal or aquatic plant life, their products and fossils;

and—

For such other purposes as the Governor deems to be in the public interest in relation to fisheries and allied matters.

Clause 28 also states—

describe the boundaries of the area affected in sufficient details to enable them to be established by a reasonable person by reference to land marks, leading marks, buoys or other position markers specified therein;

I regard this as a most important provision; these areas are to be clearly identified.

Mr Skidmore: The area at Point Quobba is already well defined by markers.

Mr LAURANCE: The honourable member may be more aware of that situation than am I. These reserves will be defined for the public to identify. They will ensure the preservation of the area, and promote tourism. As the member for Geraldton so rightly said, this is a wonderful conservation measure and will be to the long-term benefit of the people of the State. I know some of the areas, although I have not noticed the markers mentioned by the member for Swan.

Already they are being adversely affected by spearfishermen, fishermen, and specimen collectors. We know the tourist value of such areas on the east coast of Australia. I say that the areas north of Carnarvon are just as attractive, if not more attractive. The only thing that is missing are the people. The areas of attraction on the east coast of Australia are visited by a far greater number of tourists, but it is only a matter of time when the number visiting the areas in Western Australia will be as great. When large numbers of people start to visit the areas in our State it is up to us to ensure that some of the areas are preserved for posterity and for the continued enjoyment of the public.

Some reserves, particularly the one at Coral Bay, already serve a number of tourists. At the Coral Bay reserve glass-bottomed boats are provided, and these enable the tourists to view the coral. I have viewed the coral myself, and have found it to be as beautiful as the coral I saw at Green Island, Queensland, earlier this year. So, I believe the area in Western Australia has great potential.

I would point out to the Minister that Exmouth has similar areas which may be of benefit in the long term in being set aside as reserves. I know that some people in that part of my electorate have said much the same. Exmouth is extremely tourist oriented, and ample evidence of that was given when a submission was made to the Royal Commission into Gambling for the establishment of a casino at Exmouth.

At this stage I do not want to go into the debate on the establishment of a casino, but the matter is significant. I congratulate those who were associated with the submission to the Royal Commission and with the area generally in convincing the Royal Commission that if a casino is to be established in the State Exmouth should be the place.

Currently an international organisation has foreshadowed a feasibility study with regard to establishing a major tourist facility adjoining the Cape Range National Park at Exmouth, and an aquatic reserve close to this proposed site might assume greater importance if the project gets under way.

Another matter I wish to bring before the Minister deals with the removal of shells from beaches. Once again in the Exmouth area there are a number of reefs that are uncovered at low tide, and these abound in exotic shells. The shells are prized, and the reefs are being denuded. It is difficult to work out ways to preserve these reefs for all time, to prevent all the shells from finding their way into the cupboards of collectors. I realise the difficulty of enforcing protection measures. It has been suggested to me by some people at Exmouth that the appointment of honorary wardens might assist. Some other provisions in the Bill will ensure the continuation of the aquatic treasures in this area for the benefit of tourists.

Clause 15 of the Bill relates to the declaration of what is known as an illegal fishing devise. I make reference to this, because there is considerable ill-feeling in the Shark Bay area with regard to the use of schnapper traps. The locals claim these cause great damage to the breeding grounds.

Clause 13 prescribes certain bag limits. Paragraph (d) refers to this specifically as follows—

prescribing bag limits or the number or weight of any species of fish or other aquatic plant or animal life which any person may take in any specified period or from any specified part of the State, or have in his possession for any specified purpose;

I believe this is an attempt to prevent amateur fishermen from taking more than they require themselves. In some cases they take far more than they need. This provision will ensure that areas which now attract large numbers of fishermen and tourists are not fished out. I welcome this amendment.

This is most important to Shark Bay. If tourists cannot catch fish there I doubt whether there would be any other attractions for them. The area contains tremendous assets that are linked to tourism, and it is essential that in future these assets are jealously guarded.

We will see wonderful development of the fishing areas to attract tourists. In recent months a charter boat service was commenced by the Nor-Cape Lodge at Exmouth. Members might have noticed the publicity which was given a few weeks ago to the launching of a large aluminium boat, *Blue Waters*. Although I attended the launching ceremony in Perth, my area did not receive much publicity because in the summer months of this year the vessel will be operating off Sun City, Yanchep. The promoters in that area dominated the proceedings, but Carnarvon will be the centre of operation for that charter boat during the winter months of the year. It will be a valuable advantage, because there is a growing awareness of the need for the provision of a charter boat for tourists.

Exmouth is making every effort to promote big-game fishing. I was delighted to be present at Exmo '74 which was held at Exmouth. The promoters offered a prize to the person catching a large marlin, and they indicated the prize would be available right throughout the year, rather than during the short period of the Exmo festival. If people are interested in catching big fish and earning something for doing so, I can tell them that the prize is $5 000 for the person who catches a 1 000 lb. marlin off the coast. The prize has been increased to $10 000 if the fish is caught from the Nor-Cape Lodge's new charter boat.

One section of the Bill will give inspectors more power to carry out their duties effectively. As the previous speaker indicated, we need to be wary about these powers being exercised; however we both appreciate their necessity. The provisions in the Bill will allow for compatability between State and Commonwealth laws in relation to fisheries, and will also give power to the State authority to control foreign fishing vessels in State waters.

All these amendments are commendable, and I support the Bill.

MR STEPHENS (Stirling—Minister for Fisheries and Fauna) [12.38 a.m.]: At the outset I indicate my appreciation of the manner in which the member for Geraldton and the member for Gascoyne have traversed the provisions of the Bill, and of their general acceptance of them. They have quite rightly indicated that the Bill has had a very long gestation period of some five years. Because of this it has come forward to the House in a most acceptable form, and it cannot be regarded as controversial.

The member for Geraldton indicated that because of the lack of contact between members of the industry and himself there seems to be general acceptance of the Bill. I think he is quite correct in saying that.

The Australian Fishing Industry Council has indicated its support of the Bill. A compliment was paid to the department, but I would like to add to that. As the new Minister for Fisheries and Fauna I feel I can extend my compliments to the department without trying to take any credit for myself. In the seven months that I have been Minister for Fisheries and Fauna I have taken every opportunity to traverse the State to familiarise myself with the industry. I have found that the personnel engaged in this industry hold the department in high regard. No doubt this is due to the very diligent and efficient manner in which the director has carried out his duties. His sincerity and interest permeate right through the department. At all levels there has been discussion with the people involved in the industry, and this is very important when decisions are made. This leads to co-operation and goodwill.

The member for Geraldton said that on this occasion there was one matter which he regarded as controversial, and which I did not mention in my second reading speech. If I omitted to mention it I apologise. I am not a mind reader; I try to select the important aspects of a Bill and highlight them. It is impossible to deal with every question that is mentioned, because the Bill contains over 40 clauses. There was no attempt to dodge any particular issue. I mentioned anything which I thought needed clarification. The member for Geraldton might not agree with me. However, he did not indicate the particular point which he said I failed to mention. If I do not refer to it now it is because he has not actually specified the controversial point.

To refer to the various points that have been raised in this debate, with regard to limited entry fisheries we have been able to codify this in legislation. It is desirable to do that. In the past the provision was the endorsement of licenses under section 17. At the same time it has been a learning process, and over a period of years experience has been gained. We realised that it would be preferable to codify the provisions and write them into the legislation.

A query was raised in regard to the fees that are likely to be imposed. Although the matter has not been finalised I can say it is not envisaged that the fees will be raised to any greater extent than they have been in the past year. We have already received a submission from the rock lobster and prawning industry, indicating its ideas of what the fees should be. Although we are not in complete agreement, the new fees will not be far off the ones put forward by that industry. I indicate that the fee will not be $5 per pot, as rumour has indicated.

Mr Carr: Will it be less?

Mr STEPHENS: Definitely less. The fees are very close to those in the submission put forward by the rock lobster and prawning industry. There need be no fear of the fees to be charged in respect of limited entry to fisheries.

Reference has been made to the provision in clause 13, and I have been asked to give an indication relating to regulatory powers of aquariums. In this respect I would point out that generally speaking it is not intended to control aquariums or to license the trade. The regulatory powers are more for the protection of fish farming ventures, to enable us to control the type of fish that may be introduced into the State—particularly fish which might carry disease and endanger fish farming. It is in that area that the regulatory powers will be used.

The member for Geraldton will be aware that any regulation promulgated is subject to debate and disallowance in this House. In that regard there is protection for anybody who feels he may be aggrieved by a regulation.

With regard to aquatic reserves, naturally we are very conscious of the coral formations on our coast and of the shells to be found. Where a marine national park or an aquatic reserve is proclaimed, these will be protected. In some instances it is also envisaged that it may be desirable to create a marine national park, in an area contiguous to a national park. This may also be put into effect.

With regard to the use of common names for fish, this is a provision which is most desirable now in view of the increasing interest and concern shown in certain areas about heavy metals in fish. Therefore it is most essential that people should know exactly what they are being sold and it is envisaged that the provision will be carried through to cooked fish. It will be given its common name and be sold as such.

I acknowledge that some of the provisions which have been accepted by the Opposition can be regarded, in some instances, as slightly objectionable. However, as indicated, those provisions are accepted by the industry. The industry realises they are harsh, but that they are in the best interests of the industry so I do not think I need to elaborate to any great extent on that point.

Reference was made to the powers of inspectors, and a comparison was made with the powers of policemen. However, an inspector will police the provisions of the Fisheries Act. He has expert knowledge in the narrow area in which he operates. I can see nothing wrong with an inspector having power equal to that of a policeman. After all, he is trained to police the provisions of the Act.

Reference was also made to the power of an inspector to tell a fisherman that he cannot put to sea. I understand the specific reason for the inclusion of this provision is as a result of instances where fisheries inspectors have indicated to fishermen that they wanted to go out with the fishermen on the following day. In most cases the fisherman concerned has usually said that he will leave at 5.00 a.m. but when the fisheries inspector arrives the fisherman has usually left, presumably to destroy any evidence. Surely this provision is desirable.

Sales tax on motor vehicles has been mentioned on many occasions, but this is a Federal matter and is something which members from both sides of the House should present to the Federal Government.

As required, regulatory powers with regard to bag limits of fish will be clarified. The bag limit can be set by a limitation on a professional license. However, there is no power to limit the catch of an amateur fisherman who does not require a license unless by regulations which are always subject to tabling and debate in Parliament.

The question of the subsistence of Indonesian fishermen was mentioned. I can honestly say that this State, and the Commonwealth, have been most tolerant in the manner in which they have conducted themselves with regard to the Indonesian fishermen. We have now reached the stage, as mentioned by the member for Geraldton, where diplomatic discussions have taken place in Djakarta. We have determined what the State and Federal authorities are prepared to accept and we have even gone so far as to acknowledge that the Indonesian fishermen may continue to fish in the distant offshore Western Australian territorial waters. The Indonesian Government has indicated that it will do its best to control its own people and inform them of the intentions of the State and Federal Governments. No action will be taken before the 28th February, next year.

I consider we have done everything reasonable to acquaint the Indonesian fishermen of the situation through diplomatic action. In the matter of the powers of arrest, the patrolling will be done, in the main, by the Navy and if there is any resistance it will be handled by the Navy.

Finally, I will make a brief reference to the amendment proposed by the member for Geraldton. Although I have a degree of sympathy with the intent of the amendment, I indicate I cannot accept it, and I am not able to recommend to the Committee that it be accepted. I can go into further detail during the Committee stage, but I would point out that the provision referred to by the member for Geraldton is already in the parent Act, and has been there for some years. The

department has never made two prosecutions for the one offence, and the industry has never complained about the provision. I commend the second reading.

Question put and passed.

Bill read a second time.

In Committee

The Chairman of Committees (Mr Thompson) in the Chair; Mr Stephens (Minister for Fisheries and Fauna) in charge of the Bill.

Clauses 1 to 4 put and passed.

Clause 5: Section 3 amended—

Mr STEPHENS: I move an amendment—

Page 3—Insert after paragraph (g) the following paragraph to stand as paragraph (h)—

(h) as to the interpretation of the term "the Department", by deleting the word "Fauna", in line three, and substituting the word "Wildlife"; .

This amendment is necessary because it has been decided to combine under the Department of Fisheries the departments of fauna and flora and the new department will be called the department of fisheries and wildlife. We have taken the opportunity at this time to make the necessary amendment to the Act.

Amendment put and passed.

Clause, as amended, put and passed.

Clauses 6 to 22 put and passed.

Clause 23: Section 24A amended—

Mr CARR: During the second reading debate I was very disappointed to hear the Minister say he is not prepared to accept the amendment standing in my name on the notice paper. In my remarks I outlined our objections to this clause. However, I feel I should give our reasons again.

Proposed subsection (5) of section 24A provides that a servant or agent who can prove that he had no knowledge that fish in his possession were of insufficient weight may be convicted, notwithstanding the fact that his employer has been convicted and fined. He can recover this fine from his principal or employer, but the important point is that having proved that he had no knowledge of these matters, an employee or agent may still have a conviction recorded against him—a black mark against his name for the rest of his life. Although such a person would not lose any money as the fine can be claimed against his employer, he still has the conviction recorded against him for something he knew nothing about.

Irrespective of whether or not the industry has complained about this provision, and irrespective of whether or not it is already in the Act, surely the principle involved is so abhorrent that no democratic government could pass it. As the Minister has already indicated he will not accept my amendment, I will not weary the Chamber any longer. I move an amendment—

Page 15—Delete new subsections (4) and (5) with a view to substituting the following—

(4) Subject to the provisions of subsection (5) of this section, it shall be no defence to a person charged with an alleged offence against this section merely to prove that he is only the servant or agent of the owner of the fish or is only entrusted for the time being with the fish by such owner, but the servant or agent and the owner shall each be liable.

(5) Provided that if the person charged, being a servant or agent, produces evidence that at the material time, the fish were in the same state as that in which he received them from his employer or principal, and at the material time he had no knowledge that the fish were of a less weight than that referred to in subsection (1) of this section then, in the absence of proof to the contrary, he shall be entitled to be acquitted.

Mr STEPHENS: As I indicated in my reply to the second reading debate, I have a little sympathy with the intent of the amendment. However, I cannot accept it because of the difficulties which would occur in the administration of the Act. The member for Geraldton says this involves an abhorrent principle, but the principle is no different from that involved in a stealing and receiving charge. The same provision is already present in other parts of the parent Act. I am surprised that the honourable member chose this clause to take exception to. This same provision is contained in paragraphs (a) and (b) of proposed new section 32 (8). The member gave no indication of proposed amendments to these paragraphs.

I would like to point out that the offence is prescribed under another section of the parent Act. The new subsections which we are discussing provide for the servant or employee to claim money from his principal. I am informed by the director that for the whole period this provision has appeared in the Act, no-one has availed himself of it.

Mr Skidmore: Why keep it there then?

Mr STEPHENS: The member for Swan has a point. It may be possible to delete it altogether.

Mr Skidmore: The amendment is to delete the proposed subsections. We need not put anything in their place.

Mr STEPHENS: The provision is available to anyone who wants to use it. The amendment proposed by the member for Geraldton would make this part of the Act difficult to administer. I would like to give an example of a problem which could arise if we accepted the amendment. Let us take the case of a man who is apprehended and prosecuted because he has in his possession a box of under-weight rock lobster tails. The process of law would take several months.

If when the case comes up the person produces evidence that the underweight rock lobsters were underweight when he received them and he did not know they were underweight, then it would be the responsibility of the Crown to prove that he knew they were underweight. How can we expect anybody to prove that someone knows something? Therein lies the difficulty if we accept the amendment.

Mr J. T. Tonkin: We had that with the fuel and energy Bill—the "state of mind" of the Minister.

Mr STEPHENS: I do not think the Chairman would allow me to enter into a discussion of that Bill.

Sir Charles Court: I think you will find the original provision was included at the request of the industry at the time.

Mr STEPHENS: I do not know whether or not that is correct, but it has been there for some considerable time and the industry has not taken exception to it. I am not prepared to accept the amendment.

Mr T. J. BURKE: The Minister has not argued convincingly against the amendment. He said to his knowledge no servant has taken action against his master to recover a fine. I suggest that is reasonable, because if a servant did so he would probably be sacked. The Minister indicated he finds the principle somewhat objectionable; we find it totally objectionable. I feel there is no justification for retaining the provision. The member for Geraldton gave real reasons in favour of its removal. The Minister should give further consideration to it.

Mr CARR: When we examined this clause originally we received three impressions; two were unfavourable, and one was favourable. The favourable impression was the principle that an employee could claim from his employer. We were quite happy with that in principle, except where the employer must pay twice. That was the first of the objectionable impressions.

However, that point has been satisfactorily dealt with by the Minister's statement that there has not been a previous conviction along those lines.

So I am left with two thoughts. The first is that the employee can recover his fine from his employer; and the second—the really objectionable one—is in respect of an employee who proves himself to be innocent and is still convicted. The Minister's argument that there has not been a case of an employer fined twice has in effect made the point that my amendment will remove the remaining objectionable feature and consolidate the principle that the employee may sue the employer.

I point out my proposed subsection (4) differs from the provision in the Bill mainly in respect of the word "merely"; that is, it is not a ground in itself for an employee to claim he is merely an employee. But if he can claim, in conjunction with that, that he did not know anything about the fish, surely those two factors together would provide a defence.

Mr SKIDMORE: I rise to support the amendment. One should consider certain propositions in regard to proposed subsection (5) in the Bill to ascertain whether or not the provision will really achieve the objective the Minister hopes to achieve, or whether it will place the law in an awkward position. I do not profess to understand the law to any great extent, but I would imagine that if a servant is able to prove at the material time that he was unaware the fish given to him were in breach of the Act, how in the name of fortune could he be convicted? Surely the magistrate would assume he must be innocent because he has not offended against the Act.

If we then say he may be convicted in spite of that, and he may recover his fine from his employer, in essence we are penalising the employer twice. Perhaps it would be better to double the fine imposed on the employer in the first instance, and to acquit his employee. In law, the employee should be acquitted because at all material times he was not aware that the fish were undersized. The amendment will merely remove from the employee the stigma of being convicted, and will obviate the necessity for him to recover his fine from his employer.

The Minister said he had a degree of sympathy with the amendment, but that it would be difficult to administer. I am not concerned whether or not it would be difficult to administer; I am concerned about the people involved—the employees. Surely one should not use economics as the basis to determine whether or not an employee should be fined or whether or not he should recover the amount of the fine from his employer if at all material times he found himself unable to be in contradiction of the law.

The Minister also referred to other issues and used examples which did not satisfy me at all. I will not accept the fact that because no case has occurred for a long time no case will occur in the

future; and I will not accept that as an excuse for a bad piece of legislation. Surely it is our task to amend legislation so that it is capable of sensible application. This provision cannot be sensible if it has never been used. It would be less sensible to leave it there.

Mr STEPHENS: The member for Swan said he is interested in the people concerned. I would like to restate that it was the people concerned who requested the inclusion of this provision in the parent Act. I am now advised the provision was included at the request of the industry during the period of office of the Hon. G. C. MacKinnon. If they are not the people concerned, who are? The honourable member also referred to proposed section 5 and talked about "material time". However, the offence has already been committed.

Mr Skidmore: Notwithstanding the fact that you did not know.

Mr STEPHENS: This is the same master-servant type clause which to be perfectly honest has been contained in legislation in the past. Of course, members opposite will argue that because they did something wrong, there is no need for us to compound that mistake. However, when in Government, the now Opposition included this provision in such legislation as the Sales by Auction Act and the Motor Vehicle Dealers Act. It is a standard form of protecting the servant; the Crown Law Department informs me that it is common to other legislation and I am not prepared to accept the amendment.

Mr HARTREY: I do not think the Minister has given anything of a reply to the very convincing remarks of the member for Swan, who said perfectly correctly that if a person is unaware of any particular material fact essential to the commission of an offence, that person should not in elementary justice be convicted of an offence. The Minister replied that it is an offence to be in possession of these contraband fish. Supposing it is?

It was laid down many years ago by a Roman jurist that possession is not a matter of state of mind only nor a matter of physical factor only, but a combination of both. "One obtains possession not by the mind alone, nor by the body alone" is the literal translation of the words used; one obtains possession by the body and mind coming together. In other words, I cannot in law have possession of something I do not know to exist.

If I went to a secondhand shop and purchased an old chest of drawers which had a secret drawer in it which happened to contain a noxious drug, and if I was not aware that the chest of drawers contained the secret drawer, I could not be convicted of being in possession of that forbidden drug.

The member for Swan rightly stated that the man could not conceivably be convicted, but of course, he could be, because the Government is deliberately overriding every principle of elementary justice "on behalf of the people concerned". But surely to God the accused is one of the people concerned. Surely a man who has the ability to prove he is completely and absolutely innocent according to every element involved in the law and especially according to section 23 of the Criminal Code, should not be found guilty. I think I would be concerned if I found myself guilty of an offence of which I had no knowledge.

Members opposite may say there are instances in Statute law today where a master is vicariously responsible for the deeds of his servant. However, there is some element of *mens rea* there because the servant is acting as the agent of the master and the master might therefore be also responsible for not using more care in choosing a servant who would not transgress the law. But we can scarcely reverse the situation and say that a servant must have more care in choosing a master who does not transgress the law.

There has always been an elementary difference between the responsibilities a master has for the choice of his servant and the reverse. So, this is really repulsive and repugnant legislation. To say that it is good enough for fishermen at Fremantle and Geraldton does not mean that it is good enough for this Chamber. To say that the Crown Law Department says that this provision is in order is no argument for presenting it to this place. If we are concerned with nothing except fish, it is time we were concerned with other matters. The Crown Law Department constantly tells us to do this and to do that; I am sick of listening to it. For goodness sake, tell the Crown Law Department to turn it up and be quiet; let us have justice and common sense, even if it does not suit the crayfishermen and some other people in the industry. I have never heard of anything so foolish. I entirely commend the arguments put forward by the member for Swan.

Mr CARR: The Bill states that the onus is on the accused to prove he is innocent. Having proved that, he is still convicted. My amendment proposes that the onus of proof should not be on the accused and that he has only to produce evidence and, in the lack of evidence to the contrary, he should be deemed to be innocent. I ask the Minister whether he or his department have given consideration to a compromise amendment under which the onus of proof remains on the accused but that if he is able to prove his innocence he should be acquitted. Proposed subsection (5) would then read that "if the person charged, being a servant or agent, proves that at the material time . . . and

can prove his innocence he shall be entitled to be acquitted." That is halfway between my amendment and the position as it now stands.

Mr Stephens: No, a compromise has not been considered.

Mr CARR: I suggest the Minister agrees to report progress so that he can take this back to his department to see whether such an amendment could be included. I have discussed this amendment with industry officials and other people involved in the industry and they are quite agreeable to my amendment. That a person who must prove he is innocent does so but is still found guilty seems quite harsh.

Progress

I therefore move—

That the Chairman do now report progress and ask leave to sit again.

Motion put and a division taken with the following result—

Ayes—18

Mr Bateman	Mr Fletcher
Mr Bertram	Mr Hartrey
Mr Bryce	Mr Jamieson
Mr B. T. Burke	Mr T. H. Jones
Mr T. J. Burke	Mr May
Mr Carr	Mr Skidmore
Mr Davies	Mr Taylor
Mr H. D. Evans	Mr A. R. Tonkin
Mr T. D. Evans	Mr McIver

(Teller)

Noes—23

Mr Blaikie	Mr Mensaros
Sir David Brand	Mr Nanovich
Mr Clarko	Mr O'Connor
Sir Charles Court	Mr Old
Mr Cowan	Mr O'Neil
Mr Coyne	Mr Rushton
Mr Crane	Mr Sibson
Dr Dadour	Mr Sodeman
Mr Grayden	Mr Stephens
Mr Grewar	Mr Watt
Mr Laurance	Mr Young
Mr McPharlin	

(Teller)

Pairs

Ayes	Noes
Mr Harman	Mrs Craig
Mr. J. T. Tonkin	Mr Shalders
Mr Barnett	Mr P. V. Jones
Mr Moller	Mr Ridge

Motion thus negatived.

Committee Resumed

Amendment put and negatived.

Mr CARR: I move an amendment—

Page 15, line 27—Delete the word "so".

I do not anticipate too much success with this amendment. The effect of it is that, whereas at the moment only in the circumstances outlined in proposed new subsection (5) would an employee be able to claim on an employer, if the word "so" were deleted an employee would be able to claim on an employer in all circumstances.

Mr STEPHENS: There is no point in accepting this amendment. If the previous amendment had been accepted it may have been of some import, but in view of the fact that it was negatived I recommend to the Committee that it vote against this amendment.

Amendment put and negatived.

Clause put and passed.

Clauses 24 to 27 put and passed.

Clause 28: Section 30 added—

Mr STEPHENS: During my second reading speech I said that a reserve would be created only after the public had been made aware of the Government's intention to do so. I am quite aware that this could be done by administrative action, but it is then open to the whim of the Minister. The inclusion of this new subsection will make it a statutory requirement and I think this will have the general concurrence of members. It indicates to members of the public what is intended and gives them an opportunity to voice their opinion on the proposal. Therefore, I move an amendment—

Page 20, line 11—Insert after subsection (2) the following new subsection to stand as subsection (3)—

(3) No Order shall be made in pursuance of this section unless not less than two months before the making of the proposed Order a notice under the hand of the Director has been published in a newspaper circulating in the locality of the proposed reserve stating that it is intended to recommend to the Governor that an acquatic reserve be established in relation to the waters to be included in the proposed Order for the purpose to be specified in the Order, and inviting persons wishing to object to that proposal to make representations to the Director.

Amendment put and passed.

Clause, as amended, put and passed.

Clause 29 put and passed.

Clause 30: Section 32 added—

Mr CARR: I rise to make a futile gesture of moving an amendment—

Page 24, line 27—Insert after the word "him", the word "merely".

I only wish to make the point that when the Minister was speaking a while ago he said that clause 30 was identical with clause 23 and that we did not attempt to amend this clause. A careful reading of the clauses, however, will reveal that they are not identical. We have attempted to amend clause 30 and if our amendment to clause 23 had been successful and this amendment were agreed to they would work in conjunction.

Mr STEPHENS: Once again I recommend to the Committee that it should not accept the amendment. I accept the two

clauses may not be identical, but the principle is the same and the member for Geraldton has admitted this. My advice in regard to the insertion of the word "merely" is to the effect that it would make the section weak in so far as it is a connotation of leaving a great deal unsaid. Therefore I cannot see any real point in including this word, and I oppose the amendment.

Amendment put and negatived.

Clause put and passed.

Clauses 31 to 50 put and passed.

Title put and passed.

Report

Bill reported, with amendments, and the report adopted.

Third Reading

MR STEPHENS (Stirling—Minister for Fisheries and Fauna) [1.30 a.m.]: I move—

That the Bill be now read a third time.

MR CARR (Geraldton) [1.31 a.m.]: I rise to make the point that our considerable disagreement on one clause of the Bill does not alter the fact that the Opposition in the main supports the majority of the clauses.

Question put and passed.

Bill read a third time and transmitted to the Council.

House adjourned at 1.31 a.m. (Wednesday).

Legislative Council

Wednesday, the 20th November, 1974

The PRESIDENT (the Hon. A. F. Griffith) took the Chair at 2.30 p.m., and read prayers.

QUESTIONS (22): ON NOTICE

1. SCHOOLS AND HIGH SCHOOLS

Delay in Construction

The Hon. R. F. CLAUGHTON, to the Minister for Education:

(1) Has the construction of any school been delayed because of a delay in the provision of plans and specifications by the Public Works Department that occurred before the 1st April, 1974?

(2) If so, will the Minister name the schools?

The Hon. G. C. MacKINNON replied:

(1) and (2) No. The programme for 1974-75 was only being documented at that stage. Plans and specifications are organised by the Public Works Department following the receipt of the necessary documents.

2. GOVERNMENT EMPLOYEES' HOUSING AUTHORITY

Programme: Laverton

The Hon. G. W. BERRY, to the Minister for Justice:

For the years 1973-1974 and 1974-1975 in the town of Laverton.

(a) how many Government Employees' Housing Authority houses—

(i) have been constructed;

(ii) are to be constructed; and

(b) for which departments are they being constructed?

The Hon. N. McNEILL replied:

(a) (i) Nil.

However, two existing properties were purchased which were allocated to Police (1) and Education Department (1).

In addition, under an agreement with Poseidon Ltd. an additional two houses were leased. These were also allocated—Police Department (1) and Education Department (1).

(ii) Three—all of which are under construction at present.

(b) Community Welfare (2) and Public Works Department (1).

3. *This question was postponed.*

4. EDUCATION

Disadvantaged Schools

The Hon. Lyla ELLIOTT, to the Minister for Education:

Realising that a formula is laid down by the Australian Schools Commission for the purpose of determining disadvantaged schools—

(a) will the Minister advise how his department established its priorities in deciding the disadvantaged schools in this State within that formula for the years 1974 and 1975;

(b) will he also provide a list of the schools so designated for those years?

The Hon. G. C. MacKINNON replied:

(a) The schools were selected using information supplied by the Australian Schools Commission and surveys conducted by the Education Department.